ClearView

Half Year Condensed Consolidated Financial Report

for the six months ended 31 December 2023

Directors' report

The Directors of ClearView Wealth Limited (ASX:CVW, ClearView or the Company) submit herewith the Condensed Consolidated Financial Report of ClearView and its subsidiaries (the Group) for the half year ended 31 December 2023. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of Directors of the Company who held office during the half year ended 31 December 2023 and up to the date of this report are shown as below:

- Geoff Black (Chair)
- Michael Alscher
- Gary Burg
- Edward Fabrizio
- 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)

The above named Directors held office during and since the end of the half year unless otherwise stated above.

Principal activities

ClearView is an Australian financial services company with businesses that, during the half year period, offered life insurance, superannuation and investment products and services under the ClearView brand.

ClearView's life insurance products are manufactured under a retail life insurance Australian Financial Services (**AFS**) licence and 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).

Significant progress was made in the half year period to reset and simplify the business with the ambition of retaining its core focus on being a life risk insurance provider. The Company disposed of its remaining equity interest in Centrepoint Alliance Limited (**Centrepoint Alliance**) allowing for the full exit from financial advice and furthermore significant progress was made on the exit from the superannuation and investment management businesses. Further details are provided below.

Operating and Financial Review

The Board presents its HY24 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.

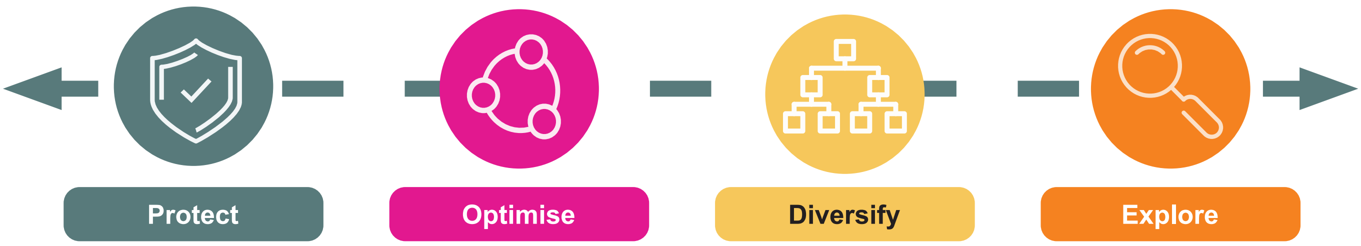
ClearView strategy

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 strategically focused 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:

- Remaining a dynamic challenger in life insurance
- Focusing on operational excellence and strategy execution
- Continuing to be a respected and trusted brand
- Developing digital tools and AI options
- Exploring further growth opportunities



The business transformation program that commenced in 2021 has progressed significantly over the half year period. This has enabled the business to focus on growth opportunities and is reflected in the strong business performance as benefits from the program of work are realised.

This is outlined in further detail below:

Core Focus

Life insurance

Life insurance business is now positioned to:

- Support double digit Underlying NPAT[3] growth off AASB 17 FY24 base[2]
- Dividend policy of 40%- 60% of Underlying NPAT[3] - range to be reviewed post completion of IT transformation investment and wealth management exit to reflect shift to a capital generation position

- **Disciplined Team executing on growth** – achieving 11.2% new business market share in HY24[4]
- **Technology Transformation** – enabling operational efficiencies, scale benefits, enhanced data and analytics and future opportunities (retirement products etc)
- **ClearChoice Product** – sustainable and aligned to customer needs with an annual refresh based on experience and market feedback
- **Long Term Distribution Network** – state-based model, focused on quality sales network with aligned interests, loyalty and brand recognition is key
- **Ahead of the curve** – future proofing the business to prepare for new regulatory changes and the new cohort of financial advisers that are engaging customers by social media, podcasts and digital tools
- **Service and Solutions** – Nimble and pro-active with a single focus to harness ClearView's unique culture, size and collective expertise to be the best at life insurance

Exited November

Financial Advice

November 2023 - Sale of Centrepoint equity stake for $15.2m cash

Exit in progress

Wealth Management

December 2023 – ClearView Trustee retired and ETSL appointed

January 2024 – Sale of Investment Management business to Human Financial

In progress – Unwind of life investment contracts upon SFT[1]

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

- Exit of the ownership of financial adviser networks -the acquired minority equity stake in Centrepoint Alliance (through the merger with the ClearView financial advice businesses in November 2021) was sold in the half year period (in November 2023) allowing for the full exit from financial advice.
- Divestment of the wealth management business - significant progress has been on the exit from the wealth management segment including completion of the sale of the funds management business, ClearView Financial Management Limited (**CFML**) to Human Financial in January 2024. The superannuation fund trustee, ClearView Life Nominees Pty Limited (**CLN**) retired as the trustee of the ClearView Retirement Plan (**CRP**) in December 2023, with the simultaneous appointment of Equity Trustees Superannuation Limited (**ETSL**). The completion of these actions clears the way for ClearView to now fully exit the wealth management segment over the coming months (upon terminating two remaining life investment contracts held by ETSL as trustee of the CRP). ClearView will then be a simplified and less complex business with a pure focus on life insurance.
- The momentum achieved with the launch of ClearView ClearChoice has continued with the new business market share of the IFA market increasing to circa 10.9% on a rolling 12 month basis and new business up 55% to $17.5 million in the half year period. 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 enhancement and build out of the technology platform has progressed significantly over the half year period with the near completion of back end functionality allowing for the commencement of the planning and structure of phase 2 of the project. This phase includes the migration of the in-force policies onto the functional new platform that will allow for the achievement of operational efficiencies that are expected to start flowing through from the end of FY25.

1 SFT relates to the successor fund transfer of the ClearView Retirement Plan and related unwind of the life investment contracts

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

3 Underlying NPAT (from continuing operations) continues to be adopted by the Board as its key measure of Group profitability and basis for dividend payment decisions. It is used as a non IFRS measure of earnings that excludes the impacts of market and interest rate volatility, with the definition updated to reflect the application of AASB 17. Underlying NPAT (from continuing operations) has been defined as the consolidated profit after tax excluding the effects of economic changes on both the AASB 17 policy liability and the incurred income protection claims liabilities, the (non-cash) impairment of the asset for acquisition cash flows (AIACF), capitalised loss recognition that is predominantly driven by the level premium business and any costs considered unusual to the Group's ordinary activities. Underlying NPAT includes the underlying investment income (the portfolio carry yield on the investment portfolio and interest rate earned on physical cash holdings), costs associated with the incurred claims reinsurance treaties and interest costs associated with corporate debt and Tier 2 Capital

4 HY24 new business market share based on NMG Risk Distribution Monitor Reports for Retail Advice New Business Analysis – NB market share based on 6 months to 31 December 2023.

- 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.
- From 1 October 2023, ClearView's exposure to underwriting risk for new business has been increased, thereby increasing the sum insured retained that should result in higher new business profit margin over time (as new business is written from that date). The confidence to increase the underwriting risk exposure for new business is due to the increased size of the in-force portfolios, improved Group capital position and industry profitability and product sustainability measures seen in the Group's recent financial performance; and
- Continued improvement in the risk maturity profile of the business. This includes a significant focus on the investment and uplift in the areas of cyber security and operational resilience.

The pathway has now been established to grow to the FY26 target of circa $400 million of in-force premiums at an 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 HY24 actual life insurance key performance indicators and FY26 goals are outlined below:

HY24 Actual	New Business Market Share[1,2] 10.9%	Gross Premiums $178m +11%	In-force Premium Market Share[1,2] $359m 3.3%	Life Insurance Underlying NPAT Margin[3,5] 10.9%	Fully Franked Interim Dividend 1.50cps 57% of Underlying NPAT[5]
FY26 Goals[4]	New Business Market Share[1] 12-14%	Gross Premiums $400m	In-force Premium Market Share[1] $409m ~4%	Life Insurance Underlying NPAT Margin[3,5] 11-13%	Dividend Policy 40-60% of Underlying NPAT[5]

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

2 HY24 new business market share based on NMG Risk Distribution Monitor Reports for Retail Advice New Business Analysis – NB market share based on rolling 12 months to 31 December 2023. HY24 inforce market share as at 30 September 2023 based on NMG Risk Distribution Monitor inforce report.

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

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

5 Underlying NPAT (from continuing operations) continues to be adopted by the Board as its key measure of Group profitability and basis for dividend payment decisions. It is used as a non IFRS measure of earnings that excludes the impacts of market and interest rate volatility, with the definition updated to reflect the application of AASB 17. Underlying NPAT (from continuing operations) has been defined as the consolidated profit after tax excluding the effects of economic changes on both the AASB 17 policy liability and the incurred income protection claims liabilities, the (non-cash) impairment of the asset for acquisition cash flows (AIACF), capitalised loss recognition that is predominantly driven by the level premium business and any costs considered unusual to the Group's ordinary activities. Underlying NPAT includes the underlying investment income (the portfolio carry yield on the investment portfolio and interest rate earned on physical cash holdings), costs associated with the incurred claims reinsurance treaties and interest costs associated with corporate debt and Tier 2 Capital.

Key focus areas that 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.

Regulatory environment

The financial services industry has continued to face significant regulation and scrutiny.

Regulators are expected to continue their supervision and enforcement activities to ensure good product design processes, appropriate distribution of products, accurate disclosure on sustainability and efficient management of claims handling.

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

APRA has finalised its Prudential Standard CPS 230 'Operational Risk Management', which will commence from 1 July 2025 and seeks to strengthen operational risk management including the enhancement of third-party risk management of material service providers.

In June 2023 the Government's initial response to the Quality of Advice Review accepted a number of the 22 recommendations and suggested further consultation would be required on certain matters. On 7 December 2023, the Government announced the proposed introduction of a new class of financial advisers referred to as qualified advisers, and it is expected that the applicable legislation will be developed in 2024.

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 2024. Applicable reforms include the implementation of the updated Life Insurance Code of Practice, which introduced additional consumer protections with a view to improve consumer confidence in life insurance.

AASB 17 implementation

ClearView's has finalised its implementation program of work for AASB 17- '*Insurance Contracts*' which was effective from 1 July 2023. Further details are provided in Note 1.

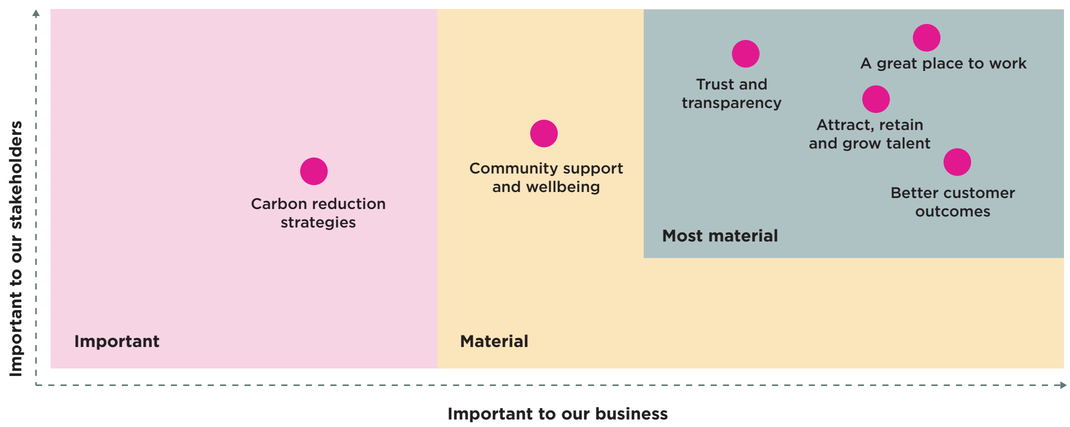
Environment, Social and Governance (ESG)

ClearView's vision is to support Australians to achieve their financial and wellbeing goals and be a positive force for our staff, community and the environment. With the impending completion of the exit from the ClearView Wealth businesses and focus on the core life insurance business, ClearView has refreshed its business strategy.

Our ESG focus areas remain unchanged.

During the FY23 we completed our first materiality assessment following a robust 4-step process to identify and assess our most material priorities. Details of how we identify our priority areas can be found in the Materiality Process section of our FY23 Annual Report at **clearview.com.au/financial-reporting**.

The following ESG focus areas present the highest level of importance to ClearView and currently form the basis for what we describe as our Corporate Social Responsibility Agenda. Within the next twelve months we will reset our Corporate Social Responsibility Agenda (CSR Agenda) by redefining our underlying goals and setting new measurable targets for FY25.



CSR Agenda highlights to December 2023

Customers and Partners

We are committed to deepening our connections and loyalty with our customers and partners

In October 2023 we launched our Wellbeing and Recovery website to support the outcomes for our customers during claims time and to provide quick-link access to recovery services and specialist support. We have also partnered with Osara Health to provide a bespoke coaching program for our customers diagnosed with cancer. This service form part of broader proposition to develop a suite of bespoke rehabilitation programs for specific medical conditions. More information can be found on our website at **clearview.com.au/wellbeing**.

To help us achieve our goal of providing a highly valued service that can be tailored to meet our customers individual needs, we have recruited an additional rehabilitation consultant to assist in delivering more rehabilitation services to our customers. We have also launched a new customer feedback survey following the completion of a rehabilitation service to ensure that the services provided meet our customers’ needs as they recover from an injury or illness.

People

We are committed to supporting the growth and development of our people to reach their full potential

ClearView has recently appointed a Chief People Officer who is currently reviewing and designing a future fit for purpose People and Culture Strategy, which will include a focus on gender pay and equity targets.

To ensure our greatest talent is retained, our Learning and Development Manager has put in place bespoke development plans for over 23% of our workforce and created training programs to build specific role based skills. We value the importance of ensuring our people have the right skills to do their job and we understand the benefits that new skills, career progression and job satisfaction have on ClearView’s overall performance.

The ClearView ClearMind Program supports employee’s mental health and wellbeing. An employee lead committee, comprising 11 staff with executive sponsorship from the Chief People Officer, the ClearMind Committee seeks to publish four quarterly newsletters and to host four live events, each calendar year to promote a mentally healthy workplace. During 2023, our employees participated in the RUOK Day and International Women’s Day, and attended the Trust and Transparency awareness session from our Brisbane office, which created additional opportunities for our non-Sydney based employees to make better connections with others from within our organisation.

Community

Through ClearView's Giving Program, we seek to support charities that align with our values

Every three years our employees select three worthwhile charities to which ClearView donates $45,000 annually. Through our Philanthropic Giving Program, we again made donations to Sony Foundation Australia, CancerCare Australia, and Australian Kookaburra Kids Foundation.

In addition, 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 and be a positive force for our staff and the community.

During the year we launched ClearView's Lifeline Australia Scholarship Program by supporting employees with paid community service leave up to 92 hours per calendar year. Our scholarships cover the tuition and fees for approved employees to become nationally accredited Crisis Support volunteers. We are committed to supporting up to 10 employees each year because we see the value that skilled employees have in genuinely supporting and listening to the needs of our customers, especially during vulnerable times.

The impacts of mental health on the community are widely documented and the life insurance industry and the mental health sector work together to improve the life insurance outcomes for people with mental illness. Our representation on the Council of Australian Life Insurers (**CALI**) board means ClearView is positioned to advocate for greater support to those most vulnerable due to mental health conditions.

Through our association with the Australian Kookaburra Kids Foundation, we can see how our annual donations support young people, impacted by family mental illness, by providing them with access to high quality mental health education; and the Foundation's investment in academic research and evaluation activities seeks to ensure the support offered to Kookaburra kids remains credible.

Separate to ClearView's formal Philanthropic Giving Program, our employees are generous with their time and money by supporting other worthwhile causes throughout the year.

We continue to be inspired by the generous contributions made by ClearView and our employees.

Environment

We have a responsibility through our operations to ensure there are plans in place to protect the environment for future generations.

During the year we partnered with Pathzero to provide a carbon management platform enabling ClearView to disclose our carbon emissions. You can view our Pathzero public profile at **pathzero.com/companies/clearview-administrative-services-limited**.

In FY23 ClearView produced 1,825.19 tonnes of carbon emissions and offset 650 tonnes through carbon credits (residual surplus credits from FY22) and a further 92.77 tonnes of emissions from carbon neutral products and services.

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.

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 claims rehabilitation outcomes for our customers so that they can recover from an injury or illness and return to work and life. Feedback will be captured in customer surveys.
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 people 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.
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 – Instill 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

Risk management in ClearView has priority with the Board, Executive Leadership Team and the business. The way in which risks are managed continues to evolve to meet the ongoing changes and challenges in economic conditions, the competitive landscape, stakeholder (including regulatory) expectations and the delivery of solid and sustainable financial performance. In FY24, our areas of focus will include information and cyber security, business resilience and progressing the implementation of requirements introduced in the new APRA Standard CPS 230 - Operational Risk Management.

ClearView's risk management framework supports the business with managing the risks to achieving our objectives within risk appetite. These risks include a combination of existing and emerging risks within our financial and non-financial risk exposures.

ClearView regards the skills, experience and focus of our 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**)

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.

HY24 Result overview

AASB 17 implementation

In the half year period under review, ClearView has adopted *AASB 17 – 'Insurance Contracts*' for the first time, with the standard becoming effective from 1 July 2023.

AASB 17 – 'Insurance Contracts' represents 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.

AASB 17 does not impact the fundamental economics of ClearView's life insurance business – there is no change to the underlying product cash flows, financial strength, claims paying ability, or dividend capacity. It is an accounting standard change under International Financial Reporting Standards that impacts the timing of recognition of insurance earnings, not the quantum in total.

The following table outlines the key impacts from the adoption of the new standard:

What is NOT changing

- **Product cash flows and ability to generate capital to invest in future growth remains unchanged**
- **No change to our business strategy or FY26 financial goals as previously reported to the market**
- **No change to solvency or dividend policy** with capital upside from tax treatment expected[1]
- The basic building blocks of insurance contract liabilities (projected cash flows and discounting) principles remain in place
- Level premium and reinsurance contracts continue to be recognised as long duration contracts
- Similar to prior market communications, we continue to use **'Underlying NPAT'** as a non IFRS measure of earnings that excludes the impacts of market and interest rate volatility, with the definition updated to reflect the application of AASB 17

Differences

- Accounting for groups of insurance contracts rather than related product groups within insurance entities
- **Time and pattern of profit release changes for stepped premium contracts but overall profitability remains the same over the life of the insurance contract –** results in changes to timing of tax payments
- Stepped premium contracts treated as a short-term contract boundary, that is, a one-year contract with profit emergence now following cash flow profile – **material impact on timing of release of profit for stepped premium business** (circa 75% of inforce portfolio)
- Due to short-term contract boundary, an asset for insurance acquisition cash flows (AIACF) is recognized that is related to future renewals - impairment testing may lead to material reported profit impacts
- Insurance contracts and reinsurance contracts valued, reported and disclosed separately
- Explicit risk allowance, 'risk adjustment for non-financial risk' included in the valuation of the (re)insurance contracts
- Granular level of aggregation of contracts – separation of level premium contracts removes cross subsidies that previously existed between products
- Presentation and disclosure with material changes in statutory accounts

1 As a result of the transition to AASB 17, the Group's accounting life insurance policy liability (net of reinsurance), for which the carrying amount will be settled in future periods has increased. This results in a deferred tax asset of $35.9m, given the movement in the life insurance policy liability (net of reinsurance) is deductible when settled in the future. While the Australian Taxation Office (ATO) and Treasury has yet to provide any announcement or guidance in respect of the AASB17 impacts on life insurance companies, there is no indication that AASB 17 will result in a change to the income tax laws. As these temporary differences create income tax losses on transition, given that it is probable that the Group's future taxable profit will be available against which the tax losses can be utilised, the additional deferred tax asset of $35.9m has been recognised on balance sheet on transition. However, no capital benefit has been taken into account in the half year period. The tax benefit should be realised in future periods as the losses are utilised.

The FY26 operational and financial FY26 goals remain unchanged from those previously communicated to the market:

FY26 Goals[3]

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

1 ClearView calculations based on NMG Risk Distribution Monitor Reports for Retail Advice In-force and New Business Analysis for relevant periods –NMG Market analysis 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.

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

4 Underlying NPAT (from continuing operations) continues to be adopted by the Board as its key measure of Group profitability and basis for dividend payment decisions. It is used as a non IFRS measure of earnings that excludes the impacts of market and interest rate volatility, with the definition updated to reflect the application of AASB 17. Underlying NPAT (from continuing operations) has been defined as the consolidated profit after tax excluding the effects of economic changes on both the AASB 17 policy liability and the incurred income protection claims liabilities, the (non-cash) impairment of the asset for acquisition cash flows (AIACF), capitalised loss recognition that is predominantly driven by the level premium business and any costs considered unusual to the Group's ordinary activities. Underlying NPAT includes the underlying investment income (the portfolio carry yield on the Pimco portfolio and interest rate earned on physical cash holdings), costs associated with the incurred claims reinsurance treaties and interest costs associated with corporate debt and Tier 2 Capital.

Key messages from the adoption of the new standard, include the following:

- Reporting under the new standard is at a significantly more detailed level of granularity of cohorts (and related onerous contract testing) and there are changes to 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 recognised as long duration contracts). 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 for deferred acquisition costs). Under AASB 17 a lower quantum of acquisition costs can be deferred (90% of acquisition costs[1]).
- An asset related to the deferred acquisition costs or the insurance acquisition cash flows (**AIACF**) is now held on the Balance Sheet for stepped premium policies and the onerous contract (and related impairment) testing is completed at a detailed level of granularity of cohorts.
- The level of granularity and onerous contract assessment may lead to material changes in the non-cash impairment and write off of the AIACF between periods, that represents a timing impact on the write off of the acquisition costs but does not change the cash flows received over the life of a stepped premium contract (these cash flows include an allowance for the recovery of the acquisition costs incurred and are subject to lapse risk).
- For in-force business, as at the transition date, the 1 July 2022 opening Balance Sheet has an initial net asset reduction of $83.6 million[2] - this is then released over time leading to a positive impact on future profit release.
- There is under the new standards an adoption of an explicit risk allowance, 'risk adjustment for non-financial risk' included in the valuation of the insurance contracts.
- As a result of the transition to AASB 17, the Group's accounting life insurance policy liability (net of reinsurance), for which the carrying amount will be settled in future periods has increased. This results in a deferred tax asset of $35.9 million, given the movement in the life insurance policy liability (net of reinsurance) is deductible when settled in the future. While the Australian Taxation Office (**ATO**) and Treasury has yet to provide any announcement or guidance in respect of the AASB17 impacts on life insurance companies, there is no indication that AASB 17 will result in a change to the income tax laws. As these temporary differences create income tax losses on transition and that it is probable that the Group's future taxable profit will be available against which the tax losses can be utilised, the additional deferred tax asset of $35.9 million has been recognised on balance sheet on transition. However, no capital benefit has been taken into account in the half year period. The tax benefit should be realised in future periods as the losses are utilised.

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

2 1 July 2022 opening Balance Sheet impact on net assets for in-force business as at the transition date has an impact of $83.6m after tax. This is then released over time leading to a positive impact on future profit release. As a result of the transition to AASB 17 a deferred tax asset of $35.9m is recognised. While the Australian Taxation Office (ATO) and Treasury has yet to provide any announcement or guidance in respect of the AASB17 impacts on life insurance companies, there is no indication that AASB 17 will result in a change to the income tax laws. However, no capital benefit has been taken into account in the half year period. The tax benefit should be realised in future periods as the losses are utilised.

Results overview

The ClearView Group achieved the following results for the half year ended 31 December 2023, with comparatives updated on a AASB 17 basis.

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	**1HY24 $M**	**1HY23 (restated) $M**	**FY23 (restated) $M**	**% Change[4]**
Life Insurance	19.4	14.7	31.4	32%
Listed/Group costs	(2.1)	(2.1)	(3.9)	—%
Group Underlying NPAT from continuing operations[1,2,3]	**17.3**	**12.7**	**27.5**	**37%**
Financial advice – interest in Centrepoint Alliance	2.8	1.7	0.7	65%
Wealth management – Discontinued operation	(1.8)	(1.0)	(2.7)	Large
Group Underlying NPAT	**18.3**	**13.4**	**25.5**	**37%**
Change in loss component	(1.3)	(1.2)	(4.6)	15%
Economic assumption impact on AASB17 liability (LRC)	1.5	2.4	3.7	(38)%
Net DLR impact	1.2	0.3	(2.3)	Large
Changes in AIACF impairment	(8.9)	(5.1)	(10.0)	Large
Wealth Management impairments	(12.2)	—	—	Large
Wealth Management divestment	(1.9)	—	(0.8)	Large
Strategic review/restructure costs	(0.3)	(0.4)	(1.1)	(27)%
Other costs	(1.6)	(1.0)	(1.5)	55%
Reported NPAT	**(5.3)**	**8.5**	**8.9**	**Large**

Key financial metrics	**1HY24 $M**	**1HY23 $M**	**FY23 $M**	**% Change[4]**
New business	17.5	11.3	25.2	55%
In-force premiums[5]	359.2	325.1	339.3	10%
Gross premium income	178.0	160.0	325.1	11%
Life Underlying NPAT margin (%)[6]	10.9%	9.2%	9.7%	NM
Investment income	7.2	4.6	10.9	57%
Reinsurance premium expense	(64.1)	(61.3)	(123.2)	5%
Net claims expense	(22.6)	(19.6)	(37.9)	15%
Operating expenses	(34.7)	(31.3)	(64.9)	11%
Reported diluted EPS (cps) (continuing operations)	1.24	1.21	1.88	2%
Underlying diluted EPS (cps) (continuing operations)	2.70	1.98	4.30	36%

1 Underlying NPAT (from continuing operations) continues to be adopted by the Board as its key measure of Group profitability and basis for dividend payment decisions. It is used as a non IFRS measure of earnings that excludes the impacts of market and interest rate volatility, with the definition updated to reflect the application of AASB 17.

2 Underlying NPAT (from continuing operations) has been defined as the consolidated profit after tax excluding the effects of economic changes on both the AASB 17 policy liability and the incurred income protection claims liabilities, the (non-cash) impairment of the asset for acquisition cash flows (AIACF), capitalised loss recognition that is predominantly driven by the level premium business and any costs considered unusual to the Group's ordinary activities. Underlying NPAT includes the amortisation of capitalised software and leases, underlying investment income (the portfolio carry yield on the investment portfolio and interest rate earned on physical cash holdings), costs associated with the incurred claims reinsurance treaties and interest costs associated with corporate debt and Tier 2 Capital.

3 From continuing operations; Underlying NPAT includes Life Insurance business unit and the listed segment; excludes the wealth management business (discontinued operation), the equity accounted earnings of Centrepoint Alliance from the date of completion (1 November 2021) and the profit on sale of the shares in Centrepoint Alliance in November 2023. 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.

4 % change HY23 to HY24.

5 In-force premiums are the annualised premium in-force at balance date for the advice products (LifeSolutions and ClearChoice) and the closed direct products no longer marketed to new customers.

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

The restated FY23 Underlying NPAT (on a AASB 17 basis) is driven by the interest rate effects, timing and pattern of profit release (albeit the profit release remains unchanged over the life of the contract).

The HY24 result reflects the increased rates between periods, the strong growth and underlying business momentum that has been driven by the ongoing business simplification. There has been a stepped change in new business sales. The HY24 result has also been positively impacted by the increasing interest rate environment, inflation linked premiums and lapse experience (broadly in line with expectations), partially offset by the adverse income protection claims experience.

The life insurance business performance is expected to continue to support double digit Underlying NPAT growth off the AASB 17 FY24 base year as previously communicated to the market.

The Group's strategy continues to be focused on leveraging its competitive advantage in life insurance to achieve the goal of becoming a top player in the Australian market.

The HY24 actual life insurance key performance indicators are outlined below:

HY24 Actual

New Business Market Share[1,2]	Gross Premiums	In-force Premium Market Share[1,2]	Life Insurance Underlying NPAT Margin[4]	Fully Franked Interim Dividend[5]
	$178m	$359m[3]		1.50cps
10.9%	+11%	3.3%	10.9%	57% of Underlying NPAT

There is strong momentum in the underlying business fundamentals:

- Gross premium income increased by 11% to $178.0 million;
- New business increased by 55% to $17.5 million;
- New business market share (on a rolling 12 month basis) increased to 10.9% (up from 9.2% in FY23);
- Advice in-force premiums increased 12% to $326.5 million; and
- Total in-force premiums increased 10% to $359.2 million

This resulted in:

- Group Underlying NPAT increasing by 37% to $17.3 million;
- Life Insurance Underlying NPAT increasing by 32% to $19.4 million; and
- Life Underlying NPAT margin of 10.9% being achieved

The exit from the wealth management business allows for the removal of its historical drag on earnings. It continues to be treated as a discontinued operation.

During the half year period, the sale of the equity interest in Centrepoint Alliance in November 2023 resulted in proceeds of $15.2 million, a gain on sale of $2.2 million and a capital uplift of circa $5 million. This is aligned to the core focus of being a life risk insurance provider.

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

2 HY24 new business market share based on NMG Risk Distribution Monitor Reports for Retail Advice New Business Analysis – NB market share based on rolling 12 months to 31 December 2023. HY24 inforce market share as at 30 September 2023 based on NMG Risk Distribution Monitor inforce report.

3 Total in-force premiums of $359.2m as at 31 December 2023.

4 Underlying NPAT (from continuing operations) has been defined as the consolidated profit after tax excluding the effects of economic changes on both the AASB 17 policy liability and the incurred income protection claims liabilities, the (non-cash) impairment of the asset for acquisition cash flows (AIACF), capitalised loss recognition that is predominantly driven by the level premium business and any costs considered unusual to the Group's ordinary activities. Underlying NPAT includes the amortisation of capitalised software and leases, underlying investment income (the portfolio carry yield on the investment portfolio and interest rate earned on physical cash holdings), costs associated with the incurred claims reinsurance treaties and interest costs associated with corporate debt and Tier 2 Capital.

5 Fully franked cash dividend.

Revenue from continuing operations

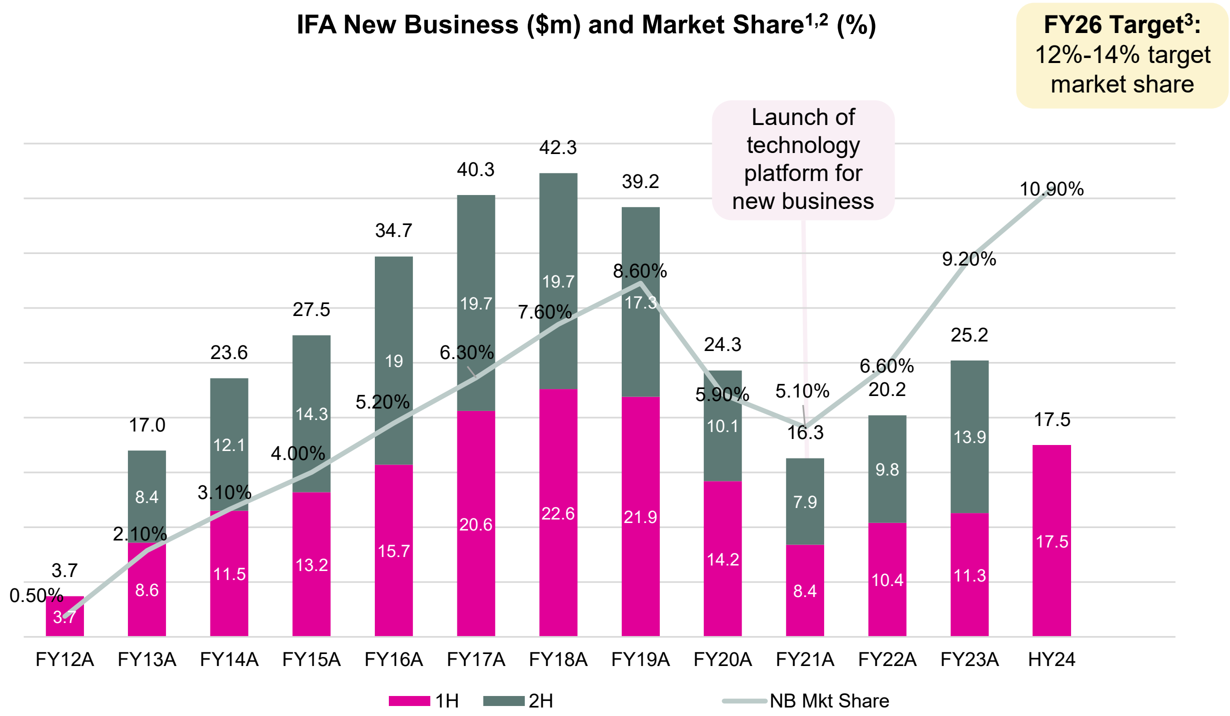
The Group's revenue base in the half year period was generated from premiums charged to life insurance policyholders.

The increase in gross life insurance premiums (for the half year period) to $178.0 million (+11%) was driven by premiums in force that rose from $325.1 million in HY23 to $359.2 million in HY24 (+10%). Core in-force premium growth 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.

This is discussed in further detail below:

Chart 1: ClearView is gaining new business market share in a growing market



The sales momentum and growth has continued into the new financial year. ClearView's sales increased by 55% to $17.5 million in the half year period and reflects a stepped change in the sales run rate (circa $3 million per month) since the last quarter of FY23, aligned to the overall market growth. The overall IFA market has grown over the last three quarters (since Q4 FY23) that has been driven by improving industry dynamics and adviser productivity supported by underlying demand for life insurance products. At the same time, ClearView has increased its market share in the IFA market to 10.9% on a rolling 12 month basis, up from 9.2% in FY23. The deep distribution relationships, acceptance of the ClearChoice product by advisers and a data analytics focus is driving new business market share gains.

ClearView has a strong presence and reputation in the IFA market. 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 that previously contributed to a decline in market new business sales appears to have been alleviated. There appears to be growth in new business volumes, an improved regulatory outlook (quality of advice review outcomes) and a return to industry profitability.

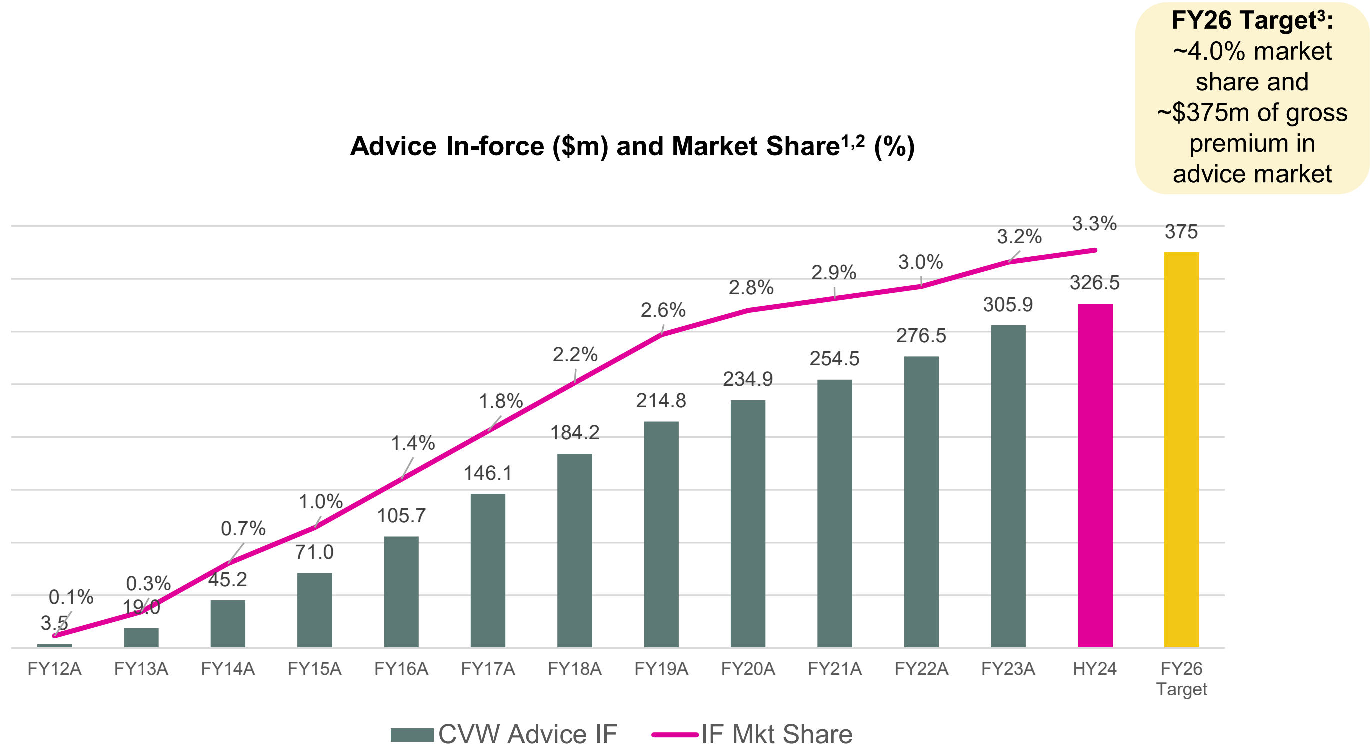
The strong adviser support of the ClearView ClearChoice product has the business well positioned to take advantage of the market rebound and achieve its goal of 12%-14% market share of new business by FY26.

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

2 HY24 new business market share based on NMG Risk Distribution Monitor Reports for Retail Advice New Business Analysis – NB market share based on rolling 12 months to 31 December 2023.

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

Chart 2: Consistent YoY growth of in-force premium since entry in the IFA market

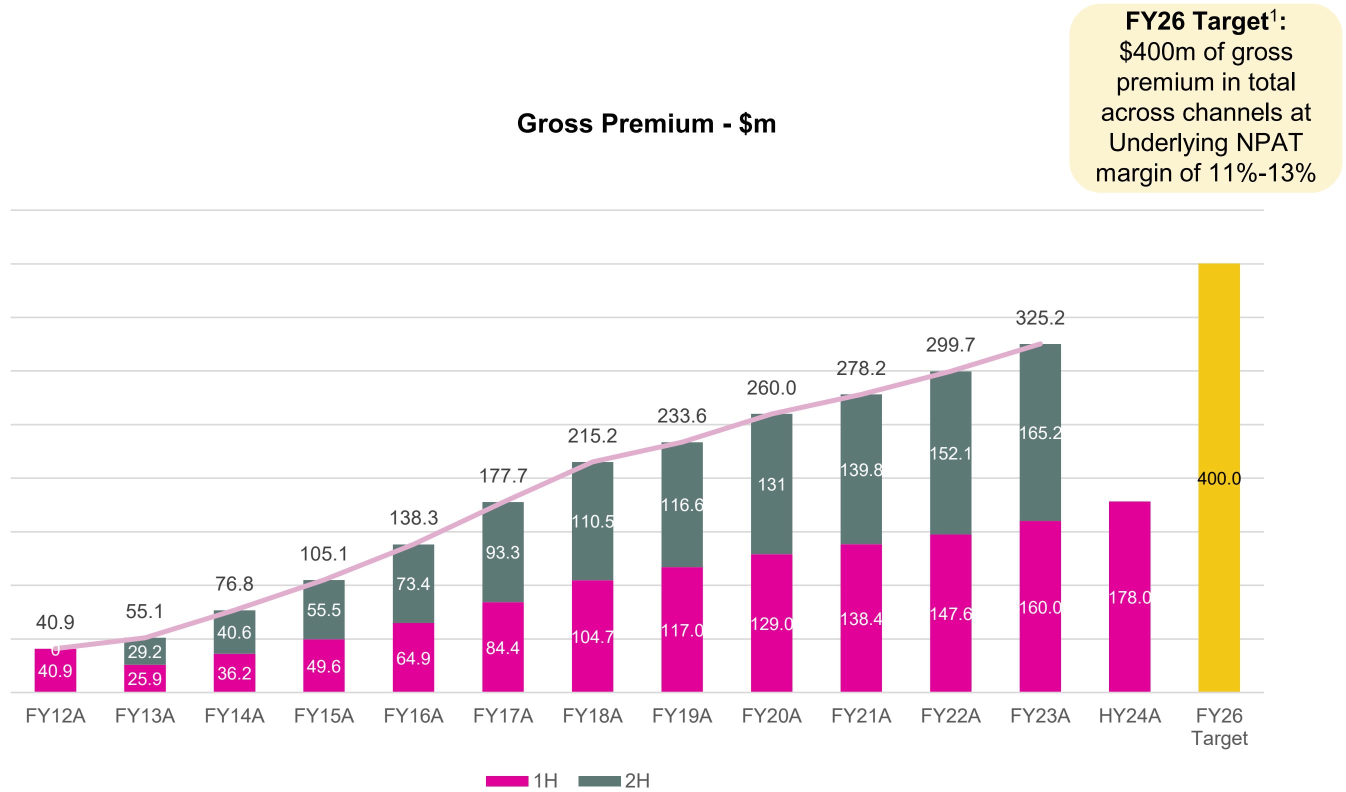


1 ClearView calculations based on NMG Risk Distribution Monitor Reports for Retail Advice In-force and New Business Analysis for relevant periods – NMG Market analysis includes total of 'Retail' consistently applied (that is, IFA, Bank Advice and Aggregator channels).

2 HY24 in force market share based on NMG Risk Distribution Monitor Reports for Retail Advice In-force Analysis as at 30 September 2023.

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

Chart 3: Strong track record of top line growth



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

The overall life insurance is a ~$18 billion market across retail, group and direct to consumer channels. ClearView only participates in the ~$ 10 billion retail life insurance advice channel. 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.

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 3.3% of the IFA market, with in-force premiums up 12% to $326.5 million for the advice business (total in-force premiums of $359.2 million as at 31 December 2023). The in-force portfolio market share (3.3%) should trend to the higher new business market share (10.9%) (over time) which underpins the growth profile. Gross Premium income broadly represents the average in-force premiums between periods.

The repricing of the in-force portfolios (across the industry) also 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 2024, ClearView commenced the final phase of its initial repricing cycle on the ClearView LifeSolutions portfolio to cover the cost of the reinsurance premium rate increases and material changes to the claims assumptions (based on experience) in or around 2020. As part of the repricing process the impact on consumers and affordability concerns continues to be considered.

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) continues to be adopted by the Board as its key measure of Group profitability and basis for dividend payment decisions. It is used as a non IFRS measure of earnings that excludes the impacts of market and interest rate volatility, with the definition updated to reflect the application of AASB 17.

Items not included in Underlying NPAT primarily result from costs relating to major restructuring initiatives, impacts of market and interest rate volatility, impairments of assets, amortisation of acquired intangibles and other transactions outside the ordinary course of business. These are consistently applied period to period.

The Underlying NPAT (from continuing operations) definition has been updated to reflect the application of AASB 17 and has been defined as the consolidated profit after tax excluding:

- the effects of economic changes on both the AASB 17 policy liability and the incurred income protection claims liabilities;
- the (non cash) impairment of the asset for acquisition cash flows (**AIACF**);
- the changes in long term discount rates used to determine the incurred income protection claims liabilities;
- capitalised loss recognition that is predominantly driven by the level premium business; and
- any costs considered unusual to the Group's ordinary activities.

Underlying NPAT includes the underlying investment income (the portfolio carry yield on the investment portfolio and interest rate earned on physical cash holdings), costs associated with the incurred claims reinsurance treaties and interest costs associated with corporate debt and Tier 2 Capital .

Underlying NPAT (from continuing operations), on a AASB 17 basis, increased 37% to $17.3 million (HY23: $12.7 million) and fully diluted Underlying EPS increased 36% to 2.70 cps (HY23: 1.98 cps).

In accordance with *AASB 5 Non-Current Assets Held for Sale and Discontinued Operations*, the Wealth Management segment continues to meet the criteria to be classified as held for sale in the consolidated financial statements for the half year period and continues to be reported as a discontinued operation.

In November 2023 and January 2024, ClearView signed revised sale agreements with Human Financial for the sale of the investment management business. Completion of the sale occurred on 31 January 2024, with a deferred consideration to be received by 29 February 2024. This has been reported as a subsequent event.

During the half year period, the Group disposed of its equity interest in Centrepoint Alliance, after which it is no longer recognised as an equity accounted interest from the date of sale in November 2023.

Underlying NPAT (from continuing operations) therefore includes the earnings from the Life Insurance business unit and the listed segment; but excludes the wealth management business (discontinued operation) and the earnings from Centrepoint Alliance (including the profit on the sale of the equity interest).

Net interest income for the Group increased to $2.3 million in HY24, increasing from $0.8 million in the prior period. This was driven by a material increase in the underlying earning rate on the investment portfolio 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 $34.7 million in HY24 (HY23: $31.3 million), up 11%. ClearView is not immune to inflationary changes in the cost base (given a significant portion is head count related). 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); and
- investment in business capability as outlined earlier in the report.

ClearView has achieved a strong HY24 performance underpinned by the transformation strategy and investment in the business.

HY24 Reported NPAT

Reported NPAT, decreased to a reported loss of $5.3 million (HY23 reported profit: $8.4 million). Reported NPAT (from continuing operations), on a AASB 17 basis, increased 3% to $7.9 million (HY23: $7.7 million) and fully diluted Reported EPS increased 2% to 1.24 cps (HY23: 1.21 cps).

Reported NPAT in the half year period was adversely impacted by the impairment loss of $12.2 million that has been recognised for the assets held for sale in the discontinued wealth management segment, partially offset by the gain on the sale of the equity stake in Centrepoint Alliance ($2.2 million).

The HY24 Reported NPAT (from continuing operations) of $7.9 million has been adversely impacted by the non cash impairment of the asset for the acquisition cash flows (**AIACF**) and changes in the capitalised loss component, partially offset by changes in the long-term discount rates used to determine the AASB 17 insurance policy liabilities, which is separately reported below the line and explained in further detail below.

The following items impacted the reported NPAT and comprised the items outlined in the table on page 15:

Reconciling items ($M)	1H24	1H23
Change in loss component	(1.3)	(1.2)
Economic assumption impact on AASB17 liability (LRC)	1.5	2.4
Net DLR impact	1.2	0.3
Changes in AIACF impairment	(8.9)	(5.1)
Wealth Management impairments	(12.2)	–
Wealth Management divestment	(1.9)	–
Strategic review/restructure costs	(0.3)	(0.4)
Other costs	(1.6)	(1.0)
Total	**(5.3)**	**8.5**

Non cash AIACF impairment

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.

Due to a shorter contract boundary for YRT stepped premium business, ClearView recognises the directly attributable insurance acquisition costs (related to acquisition and underwriting of new business) over the longer term by raising an asset for insurance acquisition cash flows (**AIACF**) on Balance Sheet, related to the future renewals of the YRT business.

Premiums that are collected over life of the insurance contract include an allowance for the recoverability of these acquisition costs. The AIACF is amortised based on present value of premiums and written off over life of a stepped premium contract.

The onerous contract (and related impairment) testing of the AIACF is more granular under AASB 17 and as such impairment (over and above the amortisation) may lead to material reported profit impacts, although there is no change in annual cash flows of a policy and the AIACF is recoverable from the cash flows at a portfolio level (subject to lapse risk) .

As such, the AIACF impairment reflects a (brought forward) timing difference in the write off of the asset and changes the pattern and timing of the reported profit release over life of a stepped premium policy.

The non-cash impairment is separately removed from Underlying NPAT given that the cash flow collection and recoverability on the portfolio as a whole remains unchanged and reflects a timing in the release of profit. The Underlying NPAT is adjusted to ensure the AIACF that is amortised does not reflect any impairments post the transition date of 1 July 2022.

The impact of the impairment of the AIACF in the half year period, caused a decrease in after-tax profit of -$8.9 million (HY23: -$5.1 million).

Economic assumption impact on AASB 17 liability

This is as a result of changes in the long term discount rates used to determine the (re)insurance contract asset/liability which is discounted using market discount rates that typically vary at each reporting date. ClearView separately reports this volatility noting that the AIACF is no longer marked to market under AASB 17. AASB17 has materially changed the sensitivity of reported profit to interest rate movements.

The impact of the changes in long-term discount rates on the AASB 17 policy liability in the half year period, caused an increase in after-tax profit of +$1.5 million (HY23: +2.4 million).

Impact of long term discount rates on income protection incurred disabled lives reserves

The 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).

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 mandated PIMCO 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). This resulted in an overall net increase after-tax profit of +$1.2 million (HY23: +0.3 million)

Loss recognition

Give the level of granularity of reporting under AASB 17, the loss component (and related loss-recovery component) has been separately reported to remove the upfront loss recognition (net of loss recovery), in particular the capitalised effect on level premium business that is no longer cross subsidised under AASB 17.

The net impact of the loss recognition in the half year period, caused a decrease in after-tax profit of -$1.3 million (HY23: -$1.2 million).

Wealth management divestment

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.

Given the revised sales agreement entered into with Human Financial in November 2023, an impairment loss of $12.2 million has been recognised for the assets held for sale as at 31 December 2023 (HY23: nil). This includes $8.5 million impairment of the goodwill allocated to the Wealth Business segment, $2.9 million impairment of the front-end wealth portal capitalised software asset and $1.7 million costs of sale of CFML to Human Financial allocated to the assets of CFML pro rata on the basis of the carrying amount of each asset as at 31 December 2023.

Costs unusual to ordinary activities

Other costs of $3.8 million (after tax) expensed include:

- PAS transformation costs ($1.6 million) - these relate to the Life Insurance IT transformation project (the transformation and duplicate system costs associated with the implementation of the PAS), that are considered costs unusual to the ordinary activities (HY23: $1.1 million). The costs of migration will be incurred over the next 12-18 months, subsequent to which the operational efficiencies are expected to be achieved from the end of FY25 (and the transformation project will be completed).
- Costs related to the exit of the wealth management business of $1.9 million (HY23: nil); and
- Other costs of $0.3 million.

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

Life Insurance

The Life Insurance result is outlined in the tables below:

	2023			2024	
6 Months to 31 December 2023 ($M)[1]	**1H (restated)**	**2H (restated)**	**FY23 (restated)**	**1H**	**Change**[2]
Gross life insurance premiums	160.0	165.2	325.1	178.0	11%
Interest income	4.2	5.8	10.0	6.4	51%
Interest expense on Tier 2	(1.3)	(1.4)	(2.7)	(1.5)	23%
Claims incurred (gross)	(66.2)	(66.6)	(132.8)	(84.1)	27%
Reinsurance recoveries	46.6	48.3	94.9	61.5	32%
Reinsurance premium expense	(61.3)	(61.9)	(123.2)	(64.1)	4%
Commission & other variable costs	(33.4)	(35.3)	(68.7)	(41.0)	23%
Operating expenses	(30.5)	(33.2)	(63.7)	(34.1)	12%
Movement in policy liability	2.9	2.9	5.9	6.5	Large
Income tax (expense) / benefit	(6.3)	(7.2)	(13.5)	(8.3)	32%
Life Insurance Underlying NPAT	**14.7**	**16.6**	**31.4**	**19.4**	**32%**

The Life Insurance Underlying NPAT increased by 32% to $19.4 million (on a AASB 17 basis) with an Underlying NPAT margin of 10.9%. The performance of the Life Insurance business in HY24 is driven by:

- strong new business volumes - continued positive response to the ClearView ClearChoice product range. The product has been well accepted with increased new business flows (and market share);
- inflation linked premiums;
- overall positive underlying lapse performance (relative to the assumptions adopted as at 30 June 2023);
- continued repricing of the LifeSolutions in-force portfolios to take into account the impacts of increased reinsurance costs;
- benefits of transformation strategy starting to flow through; and
- an increasing interest rate environment.

Partially offset by:

- income protection claims experience loss (relative to the assumptions adopted as at 30 June 2023)

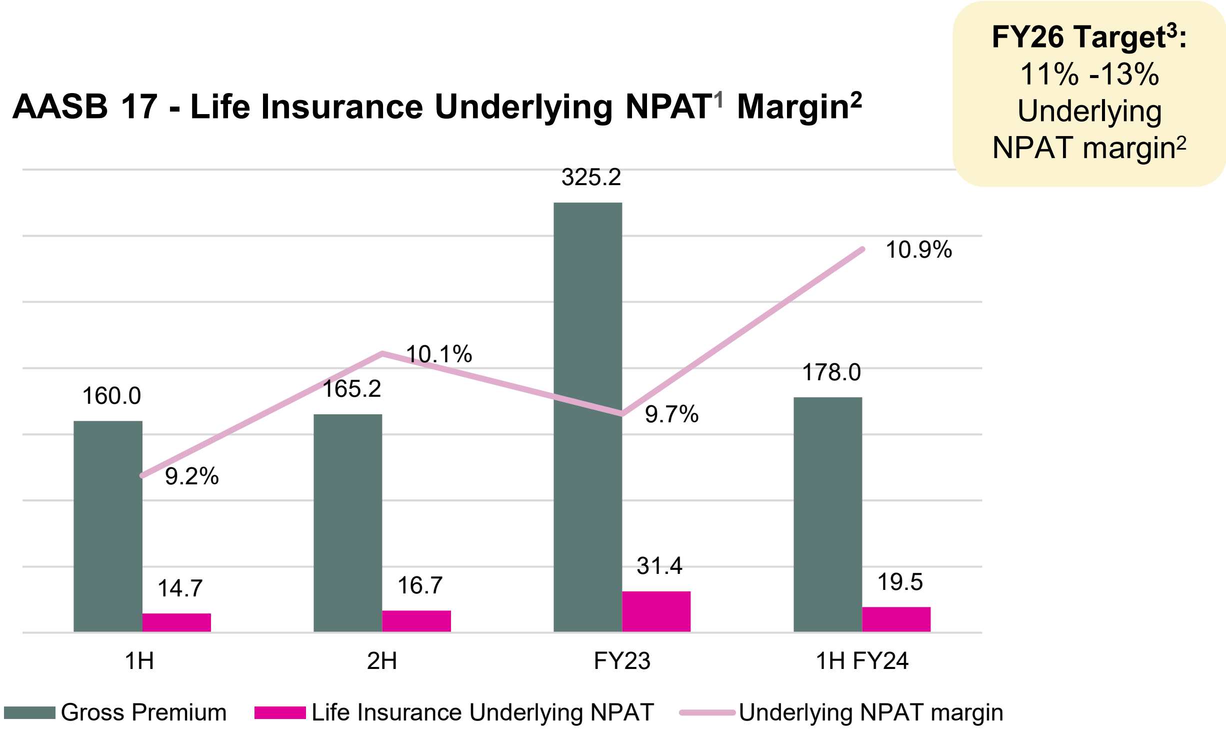
The Underlying Life NPAT margin of 10.9% (HY23: 9.2%) is at the lower end of the FY26 11-13% target range. However, the materially improved margin in HY24 (relative to HY23) reflects interest rate changes between periods, the strong business momentum and benefits of the transformation program. An improving target margin (over time) is driven by scale benefits, increased exposure to underwriting risk for new business (from 1 October 2023) and the operational efficiency savings from IT investment that is anticipated to flow through from the end of FY25, aligned to the PAS implementation schedule.

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

2 % change represents the movement from HY23 to HY24.

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

Chart 4: Life Insurance Underlying NPAT profit growth



Claims Performance

There was a claims experience loss of $2.1 million in HY24 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 loss of $0.6 million;
- Advice income protection portfolio had an underlying experience loss of $2.3 million; and
- Direct portfolios (closed to new business) had an underlying experience profit of $0.7 million.

ClearView has continued its investment in claims capability, rehabilitation programs and other initiatives to support return to work outcomes. The claims performance is 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.

The adverse income protection experience in the half year period was driven by higher than expected incidence (number of claims) that is not considered systemic. Terminations (closure of claims) are broadly in line with expectation. This will be closely monitored given the overall economic environment.

No assumption changes were made to the claims assumptions at 31 December 2023.

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.

1 Life Insurance Underlying NPAT has been defined as the life insurance profit after tax excluding the effects of economic changes on both the AASB 17 policy liability and the incurred income protection claims liabilities, the (non-cash) impairment of the asset for acquisition cash flows (AIACF), capitalised loss recognition that is predominantly driven by the level premium business and any costs considered unusual to the Group's ordinary activities. Underlying NPAT includes the amortisation of capitalised software and leases, underlying investment income (the portfolio carry yield on the investment portfolio and interest rate earned on physical cash holdings), costs associated with the incurred claims reinsurance treaties and interest costs associated with corporate debt and Tier 2 Capital.

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

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

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 HY24 result includes a lapse experience profit of $0.3 million compared to the best estimate assumptions (including an allowance for shock lapses due to the repricing of the in-force portfolios).

The HY24 lapse experience can be broken down as follows:

- Advice lump sum portfolio had an underlying experience profit of $0.2 million;
- Advice income protection portfolio had an underlying experience profit of $0.1 million; and
- Direct portfolios (closed to new business) had an underlying experience profit of $0.1 million.

For the half year period, lapses have been broadly in line with expectation for the advice business including allowances for the re-pricing of the portfolio.

Under AASB 17, lapse profits are no longer capitalised for stepped premium business given the short term contract boundary.

Industry participants continue to increase prices on their in-force portfolios. The final phase of the initial staggered price increases from the reinsurance price increases and material changes to the claims assumptions based on experience in 2020 is being implemented from 1 January 2024 (noting that no further shock lapses have been allowed for from 2H FY24).

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 the second half of the financial year. 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**).

ClearView increased its exposure to underwriting risk for new business from 1 October 2023, thereby increasing the sum insured retained that should (subject to actual claims experience) result in higher new business profit margins over time (as the new business is written from that date). This confidence to increase the underwriting risk exposure is due to the increased size of the in-force portfolios, improved Group capital position and industry profitability and product sustainability measures seen in the Group’s more recent financial performance.

Reinsurance price changes on the LifeSolutions in-force portfolio continue to be monitored closely.

Listed/Group result

The Listed/Group Underlying NPAT[3] of the listed/group segment recognised a loss of $2.1 million (HY23: loss of $2.1m):

6 Months to 31 December 2023 ($M)[1]			**2022**			**2023**	**2024**	**%**
	1H	**2H**	**FY22**	**1H**	**2H**	**FY23**	**1H**	**Change**[2]
Interest Income	0.1	0.9	1.0	0.4	0.6	0.9	0.8	Large
Interest on debt & facility fees	(1.9)	(2.0)	(3.8)	(2.6)	(2.8)	(5.4)	(3.4)	32%
Operating expenses	(0.7)	(0.8)	(1.6)	(0.8)	(0.4)	(1.2)	(0.6)	(23)%
Income tax (expense) / benefit	0.7	0.4	1.1	0.9	0.9	1.8	(1.1)	16%
Listed Underlying NPAT	**(1.9)**	**(1.4)**	**(3.3)**	**(2.1)**	**(1.8)**	**(3.9)**	**(2.1)**	**—%**
Financial Advice - interest in Centrepoint Alliance	(0.5)	0.2	(0.2)	1.7	(1.0)	0.7	2.8	69%
Listed Underlying NPAT including Financial Advice	**(2.3)**	**(1.2)**	**(3.6)**	**(0.4)**	**(2.8)**	**(3.2)**	**(0.7)**	**Large**

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

2 % change represents the movement from HY23 to HY24.

3 Underlying NPAT (from continuing operations) has been defined as the consolidated profit after tax excluding the effects of economic changes on both the AASB 17 policy liability and the incurred income protection claims liabilities, the (non-cash) impairment of the asset for acquisition cash flows (AIACF), capitalised loss recognition that is predominantly driven by the level premium business and any costs considered unusual to the Group's ordinary activities. Underlying NPAT includes the underlying investment income (the portfolio carry yield on the investment portfolio and interest rate earned on physical cash holdings), costs associated with the incurred claims reinsurance treaties 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 and pays interest on corporate debt. Corporate debt includes the loan establishment and interest costs on the Debt Funding Facility and the $75 million subordinated, unsecured Tier 2 notes. An additional $15 million was drawn down under the Debt Funding Facility in the half year period to partly fund the FY23 final fully franked cash dividend.

The costs associated with maintaining a listed entity have remained broadly consistent period to period. These costs include directors fees, investor relations expenses, insurance, audit fees and other related costs. Listed expenses recognised for the year was $0.6 million (HY23: $0.8 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 minority stake in Centrepoint Alliance.

On 17 November 2023, ClearView announced the sale of approximately 39.6 million shares in Centrepoint Alliance to COG Financial Services Limited (**COG**), at a share price of 33 cents per share representing total consideration of $13.1 million. The sale shares represent approximately 19.9% of Centrepoint Alliance's issued capital.

The remaining 8.4 million shares were subsequently sold on the market from 17 November 2023, at an average exit price of circa 27 cents per share, representing total consideration of $2.2 million (net of costs of sales).

Before the sales, the carrying value of the investment in associate was $13.1 million (net of impairment of $1.6 million). The sale resulted in $2.2 million gain from sale.

ClearView has fully divested the investment in associate and holds no Centrepoint Alliance's shares as at 31 December 2023.

The Centrepoint Alliance transaction has been equity accounted until the date of sale, contributing $0.6 million in HY24 (HY23: $1.7 million).

Discontinued operations - Wealth Management

The Wealth Management result is outlined in the table below:

	2022			2023			2024	%
6 Months to 31 December 2023 ($M)[1]	**1H**	**2H**	**FY22**	**1H**	**2H**	**FY23**	**1H**	**Change[3]**
Funds management fees	16.0	13.9	29.9	10.9	10.5	21.3	10.0	(8%)
Interest Income	—	—	—	0.5	0.2	0.7	0.4	(24%)
Commission and Other External[2]	(2.2)	(1.9)	(4.1)	(1.4)	(1.4)	(2.8)	(1.3)	(9%)
Funds management expenses	(4.2)	(3.9)	(8.1)	(2.8)	(2.8)	(5.6)	(2.7)	(4%)
Operating expenses	(8.1)	(9.8)	(17.9)	(8.5)	(8.9)	(17.4)	(9.0)	(9%)
Income tax (expense) / benefit	(0.3)	0.4	0.2	0.5	0.7	1.2	0.8	(57%)
Wealth Management Underlying NPAT	**1.1**	**(1.2)**	**(0.1)**	**(1.0)**	**(1.7)**	**(2.7)**	**(1.8)**	**Large**

Funds management fee income decreased from $10.9 million in HY23 to $10.0 million in HY24 (-8%).

Fee income was impacted by the decline in fee margins from the continued change in the FUM mix. FUM balances reduced from $1.94 billion in HY23 to $1.84 billion in HY24 (-5%).

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.

As noted earlier in the report, ClearView has made significant progress in the half year period on the exit of the wealth management business.

Post exit of the wealth management business (likely to be in 1H FY25), ClearView will be a simplified and less complex business with a focus on life insurance.

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 period ended 31 December 2023. As such it continues to be reported as a discontinued operation. See note 8.5 for further details.

1 Management view excludes the life investments contracts (i.e. unit linked business) and deconsolidates retail unit trusts and reflects fees earned less expenses incurred. Inter segment revenues/expenses are not eliminated in the management 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 HY23 to HY24.

Statement of financial position

The Group's statement of financial position, which is set out on page 41, reflects the key metrics below.

Upon implementation and transition to AASB 17, the financial position is presented as though AASB 17 has always applied, with a reduction in equity (as at 1 July 2022) of $83.6 million after tax driven by:

- Capitalised loss recognition;
- AIACF impairment due to the onerous contract assessment that is performed at a more granular level and a lower amount of directly attributable acquisition expenses being deferred;
- Release patterns of contractual service margin (**CSM**); and
- Establishment of an explicit risk allowance, 'risk adjustment for non-financial risk' included in the valuation of the (re)insurance contracts.

As a result of the transition to AASB 17, the deferred tax asset has increased by $35.9 million due its remeasurement from the tax impact of restatement of retained earnings on transition on 1 July 2022. However, no capital benefit has been taken into account in the half year period. The capital benefit will arise in future periods as the losses (that are attributable to the deferred tax asset) are utilised in the foreseeable future.

The restated 30 June 2023 net assets of $393.4 million is reflective of:

- Opening 1 July 2022 opening Balance Sheet adjustment of $83.6 million (after tax);
- Reported NPAT for FY23 (under AASB 17) being $8.2 million lower than that reported under AASB 1038;
- Reclassification of certain balances to Insurance and Reinsurance Contract Liabilities; and
- Recognition of the AIACF on the Balance Sheet for stepped premium contracts (Insurance Contract Assets).

Net assets at 31 December 2023 decreased to $369.8 million (30 June 2023: $393.4 million) and net tangible assets (excluding goodwill and intangibles) decreased to $339.1 million (30 June 2023: $356.8 million[1]) or net tangible asset value per share (including ESP loans)[1] of 52.6 cents per share (30 June 2023: 55.5 cents per share). The decrease in net tangible assets is driven by the payment of a $19.8 million fully franked FY23 final cash dividend in September 2023 and the impairment of the intangible assets (goodwill and software) in the wealth management discontinued operation of $12.2 million.

ClearView is capitalised with Common Equity Tier 1 capital and Tier 2 capital. The shareholder view of the Balance Sheet at 31 December 2023 reflects:

- Shareholder cash and investments position of $506.9 million – shareholder capital continues to be conservatively invested in the large institutional Australian banks and a specialist fixed interest investment mandate with PIMCO. This includes the $15.2 million proceeds from the sale of the investment in Centrepoint Alliance in November 2023.
- Net cash and investments position of $401.5 million, with $31 million drawn down under the Debt Funding Facility and $74.2 million Tier 2 subordinated debt (net of costs). An additional $15 million was drawn down under the Debt Funding Facility in the half year period to partly fund the FY23 final cash dividend paid in September 2023.
- Goodwill of $4 million allocated to the Life Insurance cash generating unit. 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. The goodwill allocated to the Wealth Management cash generating unit ($8.5 million) that was previously included in assets held for sale has been fully impaired in the half year period.

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 53.8 cents per share at 31 December 2023, of the remaining 16.1 million ESP shares on issue (and included in the total shares on issue of 661.0 million), 1.9 million ESP shares are considered to be in the money with a ESP loan recoverable balance of $0.9 million. 14.2 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 646.8 million shares. As such, $0.8 million of ESP loans have been added to the net assets and 646.8 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 of 2.6 million, a further 9.0 million performance and restricted rights can be converted into ordinary shares - these have been excluded for the purposes of the calculation.

- Intangibles of $26.8 million (FY23: $27.0 million) related to capitalised software costs, of which ClearView has to date, recognised $24.3 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 capitalised software that was included in assets held for sale as at the Balance Sheet date has been fully impaired in the half year period.
- The life insurance policy liability includes the changes under AASB 17 have been reported and classified as noted earlier in the report; and
- The AIACF related to deferred acquisition costs of $276.6 million (FY23: $271.7 million) is reflected on Balance Sheet and this asset converts to cash as future premiums are collected (subject to lapse risk).

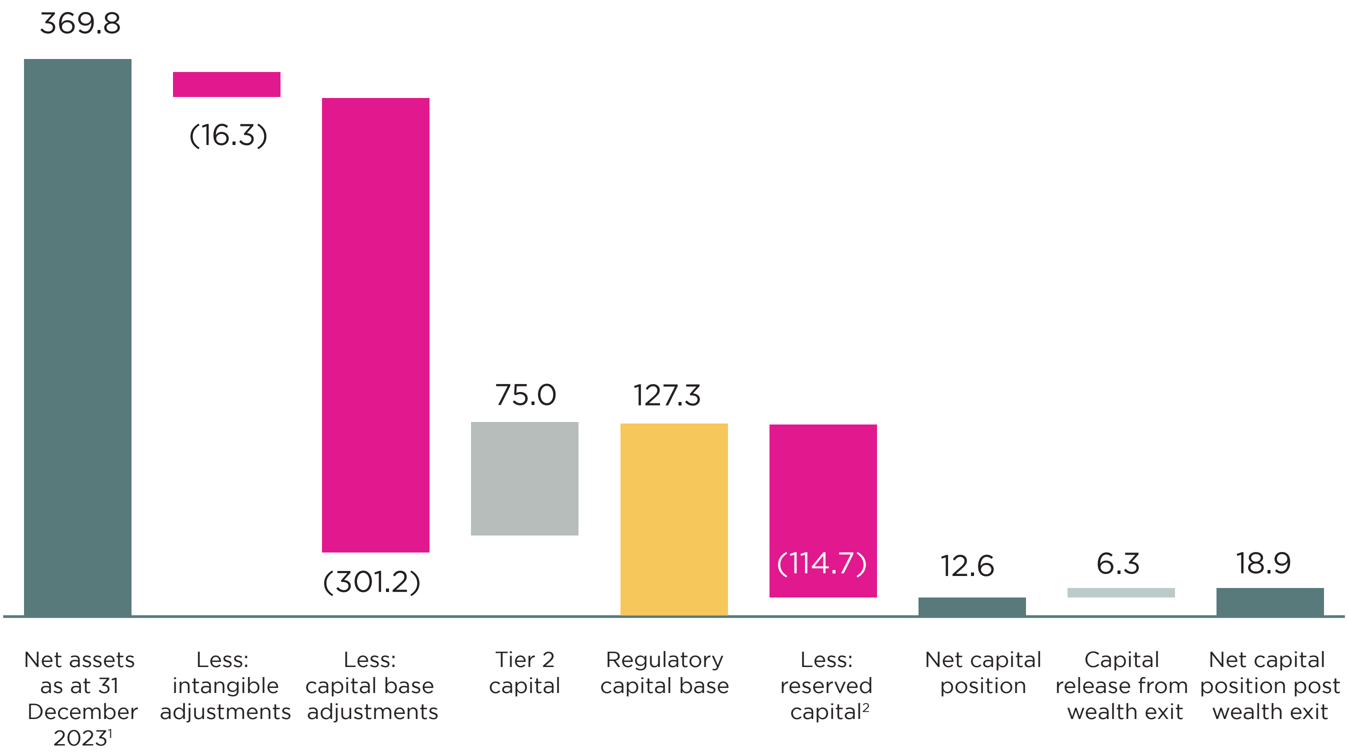
Capital position

The following charts reflect the net capital position of the Group as at 31 December 2023:

	Life	Wealth	Other	APRA Regulated Entities	Wealth	ASIC Regulated Entities	All Regulated Entities	NOHC[4]/ Other	Group
	$M	$M	$M	$M	$M	$M	$M	$M	$M
Net assets at 31 December 2023[1]	377.4	7.0	4.5	388.9	6.0	6.0	394.9	(25.1)	369.8
Intangible adjustments[2]	–	–	–	–	–	–	–	(16.3)	(16.3)
Net assets after intangible adjustments	**377.4**	**7.0**	**4.5**	**388.9**	**6.0**	**6.0**	**394.9**	**(41.4)**	**353.5**
Capital Base Adjustment:									
Policy liability	(258.9)	–	–	(258.9)	–	–	(258.9)	–	(258.9)
DTA adjustments	(37.0)	(1.5)	–	(38.5)	–	–	(38.5)	(3.8)	(42.3)
Tier 2 capital[5]	30.0	–	–	30.0	–	–	30.0	45.0	75.0
Regulatory Capital Base	**111.5**	**5.5**	**4.5**	**121.5**	**6.0**	**6.0**	**127.5**	**(0.2)**	**127.3**
Prescribed Capital Amount	(19.0)	(3.5)	–	(22.4)	(5.0)	(5.0)	(27.4)	–	(27.4)
Available Enterprise Capital	**92.5**	**2.0**	**4.5**	**99.0**	**1.0**	**1.0**	**100.1**	**(0.2)**	**99.9**
Risk Capital[3]	(69.7)	(2.7)	–	(72.5)	(1.1)	(1.1)	(73.5)	(13.8)	(87.3)
Net capital position	**22.8**	**(0.7)**	**4.5**	**26.6**	**–**	**–**	**26.6**	**(14.0)**	**12.6**
Capital benefit from wealth exit	–	–	(4.1)	(4.1)	0.1	0.1	(4.0)	10.3	6.3
Net capital position (post Wealth exit)	**22.8**	**(0.7)**	**0.4**	**22.5**	**0.1**	**0.1**	**22.6**	**(3.7)**	**18.9**

1. Net Assets as at 31 December 2023 excluding Employee Share Plan Loans. Net assets includes the deferred acquisition cost asset (AIACF) component of life insurance policy liabilities and right of use asset arising from leases.
2 Intangible adjustments relate to goodwill and capitalised software (excluding 50% of the capitalised software held in the administration entity). It also includes the removal of $0.6 million of capitalised costs in relation to the Tier 2 capital raising and impairment related to costs to sell for the wealth management exit.
3 As at 31 December 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 6: Capital position as at 31 December 2023 ($M)



1 Net Assets as at 31 December 2023 excluding Employee Share Plan Loans. Net assets includes the deferred acquisition cost asset (AIACF) component of life insurance policy liabilities and right of use asset arising from leases.

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.

The net surplus capital position of the Group above internal benchmarks is $18.9 million at 31 December 2023 and represents a decrease of $8.8 million since 30 June 2023, predominantly driven by:

- the payment of the FY23 final cash dividend (-$19.8 million), partially offset by:
- the capital benefit from the sale of the investment in Centrepoint Alliance (+$5 million);
- the release of capital from the sale of CFML (+$6.3 million); and
- the tax benefit from the impairment of the AIACF asset in the half year period (+$3.8 million).

The capital position is stated prior to any further capital release from the exit of the wealth management business due to the unwind of the life investment contracts on completion by ETSL of the successor fund transfers (SFT) of the CRP or the payment of the HY24 interim cash dividend.

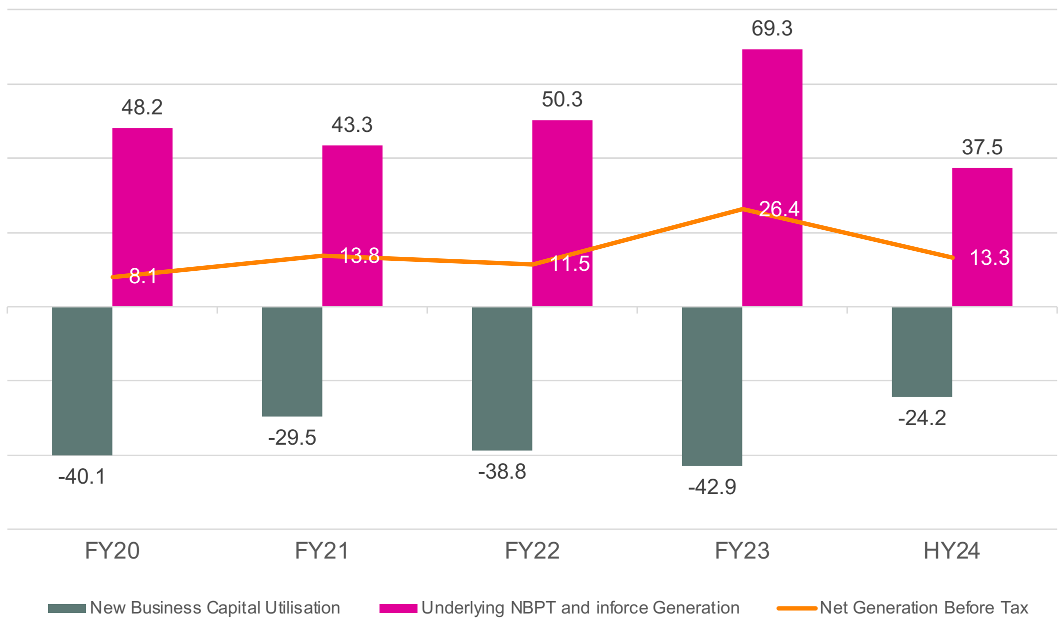
The capital position has been updated for the transition of the trustee of the ClearView Retirement (CRP) to ETSL. Subsequent to its retirement as the trustee of the CRP, CLN is no longer an operating entity and is therefore no longer required to hold the capital previously held by it (Operating Risk Financial Requirement - ORFR). Aligned to the transition of the trustee, the listed entity has entered into arrangements with EQT group to provide ORFR funding of $3.5 million to ETSL until the SFT is completed.

The capital position reflects:

- The net assets of $369.8 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 $16.3 million are deducted from the net assets and includes goodwill, capitalised software and costs associated with Tier 2 raising. Given that the capitalised software is held in the shared services entity, 50% of its carrying value is deducted for capital purposes ($13.4 million).
- Capital base adjustments reflects the difference between the adjusted policy liabilities held for capital purposes and the policy liabilities held under AASB 17. This predominantly reflects the removal of the deferred acquisition cost asset (**AIACF**) that is not permitted to be counted in the regulatory capital base under the APRA capital standards. The capital base adjustment also includes the removal of any deferred tax assets that cannot be included under the standards.
- As a result of the transition to AASB 17, the Group's accounting net life insurance policy liability, for which the carrying amount will be settled in future periods has increased. This results in an increase in the deductible temporary differences and a related deferred tax asset of $35.9 million, given the movement in the net life insurance policy liability is deductible when settled in the future. While the Australian Taxation Office (ATO) and Treasury has yet to provide any announcement or guidance in respect of the AASB17 impacts on life insurance companies, there is no indication that AASB 17 will result in a change to the income tax laws. As these temporary differences create income tax losses on transition and that it is probable that the Group's future taxable profit will be available against which the tax losses can be utilised, the additional deferred tax asset of $35.9 million has been recognised on balance sheet on transition. However, no capital benefit has been taken into account in the half year period. The tax benefit should be realised in future periods as the losses are utilised.
- 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 $127.3 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.
- 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 31 December 2023.
- As a result of limits under the incurred claims treaty, ClearView continues to hold a irrevocable letter of credit issued by a major Australian bank on behalf of Swiss Re with a dollar limit on the letter of credit of $70 million as an additional risk mitigation over the medium term to further reduce any likelihood of concentration risk exposure. The terms of the letter of credit were updated to align to the revised LPS 117 standard.
- Fitch continues to assign ClearView with 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 FY20:

Life Insurance Underlying Before Tax[3] Capital Generation[1] - $m



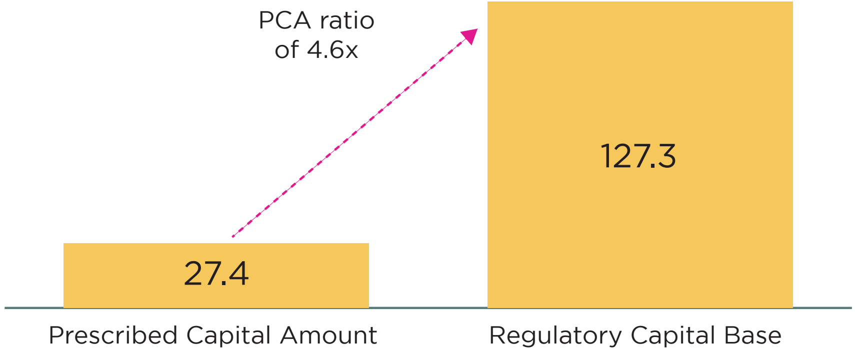
- ClearView has generated $37.5 million (before tax) of underlying capital from its in-force portfolios prior to reinvestment in new business and the multi year IT transformation project.
- New business capital utilisation is predominantly related to the upfront policy acquisition costs[2] – the capital strain varies between periods is dependent on new business volumes. Each year, these acquisition costs are recovered via premiums and is repaid over the 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 period.
- The surplus capital position and future business capital generation is anticipated to fund the net capital expenditure impacts of the further 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 4.6 times at 31 December 2023, reflecting the strength of the overall capital position of the Group.

1 Excluding costs considered unusual to ordinary activities in each relevant financial period (as disclosed), tax and growth in regulatory and ICAAP reserves. Excluding capital expenditure investment. Life Insurance business only – excludes listed segment.

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.

3 Life insurance Underlying NPBT has been defined as the consolidated profit after tax excluding the effects of economic changes on both the AASB 17 policy liability and the incurred income protection claims liabilities, the (non-cash) impairment of the asset for acquisition cash flows (AIACF), capitalised loss recognition that is predominantly driven by the level premium business and any costs considered unusual to the Group's ordinary activities. Underlying NPAT includes the underlying investment income (the portfolio carry yield on the investment portfolio and interest rate earned on physical cash holdings), costs associated with the incurred claims reinsurance treaties and interest costs associated with corporate debt and Tier 2 Capital.

Chart 7: 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. Underlying NPAT continues to be used as a non IFRS measure of earnings with its definition updated to reflect the application of AASB 17 in the half year period.

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 FY23 fully franked final cash dividend of 3 cents per share was paid on 22 September 2023. This represented 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.

On 23 February 2024, the Board declared a fully franked interim cash dividend of 1.50 cents per share, the first time an interim dividend has been declared. This represents 57% of Underlying NPAT[1] – around the top end of the target payout ratio.

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 capital 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.

Employee buy-back of Executive Share Plan shares

In the half year ended 31 December 2023, there were a further 8,523,505 Executive Share Plan shares held by employee participants that have been forfeited and will be bought back in accordance with the rules of the plan.

1 Underlying NPAT (from continuing operations) continues to be adopted by the Board as its key measure of Group profitability and basis for dividend payment decisions. It is used as a non IFRS measure of earnings that excludes the impacts of market and interest rate volatility, with the definition updated to reflect the application of AASB 17. Underlying NPAT (from continuing operations) has been defined as the consolidated profit after tax excluding the effects of economic changes on both the AASB 17 policy liability and the incurred income protection claims liabilities, the (non-cash) impairment of the asset for acquisition cash flows (AIACF), capitalised loss recognition that is predominantly driven by the level premium business and any costs considered unusual to the Group's ordinary activities. Underlying NPAT includes the underlying investment income (the portfolio carry yield on the investment portfolio and interest rate earned on physical cash holdings), costs associated with the incurred claims reinsurance treaties and interest costs associated with corporate debt and Tier 2 Capital.

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 continues to meet the criteria to be classified as held for sale in the consolidated financial statements for the year ended 31 December 2023 and is reported as a discontinued operation, and therefore the EV for the wealth management business has been reflected at net asset value as at 31 December 2023 (included in the net worth).

A risk free rate of 4.0% has continued to be adopted for the purposes of the EV calculations at 31 December 2023 (30 June 2023: 4.0%).

The EV has been prepared on a consistent basis with prior reported periods, without any adjustment for the changes to the tax cash flow given the change in timing of the pattern of profit release under AASB 17.

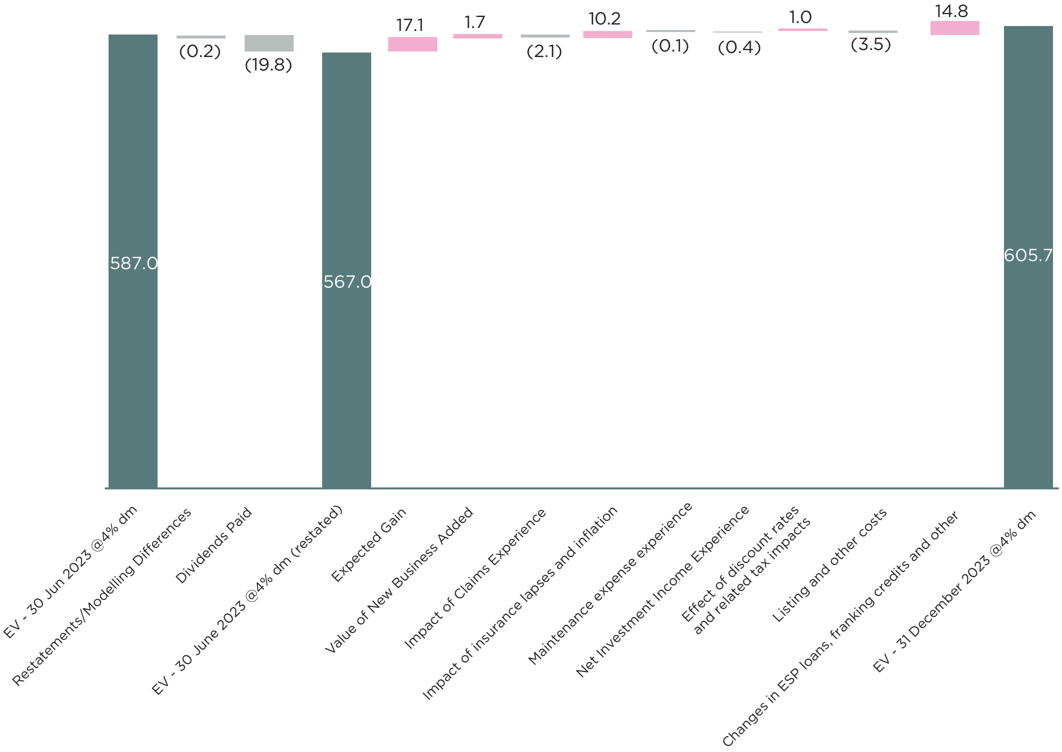
The Life Insurance EV (including franking credits) increased 6.7% in the half year period to $596.2 million. The net assets of the wealth management segment included in the net worth was $7.0 million (noting that $6 million from the sale of CFML and $4m from the trustee entity is now included in the listed segment). The Listed segment value reduced to $2.5 million but was impacted by the payment of the FY23 cash dividend of $19.8 million.

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	537.2	504.2	474.8
Value of In Force (VIF)	**537.2**	**504.2**	**474.8**
Net worth	6.3	6.3	6.3
Total EV	**543.5**	**510.5**	**481.1**
ESP Loans	0.9	0.9	0.9
Total EV including ESP Loans	**544.4**	**511.4**	**481.9**
Franking Credits @ 70%:			
Life Insurance	80.4	75.6	71.4
Net worth (accrued franking credits)	18.6	18.6	18.6
Total Franking Credits	**99.0**	**94.3**	**90.0**
Total EV including ESP loans and franking credits	**643.3**	**605.7**	**572.0**
EV per Share including ESP Loans (cents)	**84.2**	**79.1**	**74.5**
EV per Share including ESP Loans and Franking Credits (cents)	**99.5**	**93.6**	**88.4**

Chart 8: EV movement waterfall



The key movements in the EV between 30 June 2023 and 31 December 2023 are described in detail below.

30 June 2023 Restatement (-$0.2 million)

- Restatements relate to the net movement of the sale of the CFML business between segments and the expected losses to the completion date in January 2024 (-$0.2 million).

FY23 Final Dividend (-$19.8 million)

- The EV is reduced by the final FY23 cash dividend (-$19.8 million) that was paid in September 2023, representing an increase of circa 50% over the FY22 final dividend.
- The EV is stated prior to the payment of the interim HY24 cash dividend (-$9.9 million) that will be paid in March 2024.

Expected Gain (+$17.1 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 half year period and those attributable to the interest in Centrepoint Alliance including the profit on the sale of the investment.

Value of New Business (+$1.7 million)

- The VNB has been positively impacted in the half year period by the stepped change in new business without the related increase in fixed acquisition costs.
- 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.
- 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 55% to $17.5 million in HY24 and is now achieving a circa 11% market share in the IFA market, up from 9% in FY23. ClearView achieved a 11% market share in the half year aligned to the stepped change in new business coupled with the overall market growth. The VNB has therefore improved (over time).

Life Insurance Claims (-$2.1 million)

- Underlying adverse claims performance (relative to assumptions) resulted in a reduction in the EV in HY24. The claims performance was driven by higher than expected incidence on the income protection portfolio.
- The uplift in claims capability has been put in place and continues to remain a core focus of the business.
- No changes in assumptions were made in the half year period.
- 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 23.

Lapses and inflation impacts (+$10.2 million)

- For the half year period, lapses have been broadly in line with expectation for the advice business including allowances for the re-pricing of the portfolios.
- Inflation linked premiums for the half year period have been materially higher than expected given both the inflation rate and take of the indexed benefit by customers. This is the key driver of the positive performance in the EV for the half year period.
- Superannuation is a significant funding source of life insurance and the relatively low unemployment rate has supported both the inflation take up rate as well as the lapse performance of the business.
- The interest rate increases and impacts on household budgets will continue to be closely monitored in the second half of the financial year.
- See further commentary on lapse experience on page 24.

Maintenance Expenses (-$0.1 million)

- The key focus is on the technology transformation to enable operational efficiencies, scale benefits and enhanced data and analytics.
- 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 the end of FY25.
- The actual maintenance overrun is broadly in line with the expected overruns that have been included in the EV calculations.

Net Investment Experience (-$0.4 million)

- This reflects the investment return benefit relative to underlying earning rate of 4% adopted in the EV calculations. This was offset by the interest cost of the corporate debt and Tier 2 subordinated loans that is not allowed for the EV calculations.

Other Expense Impacts (-$3.6 million)

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

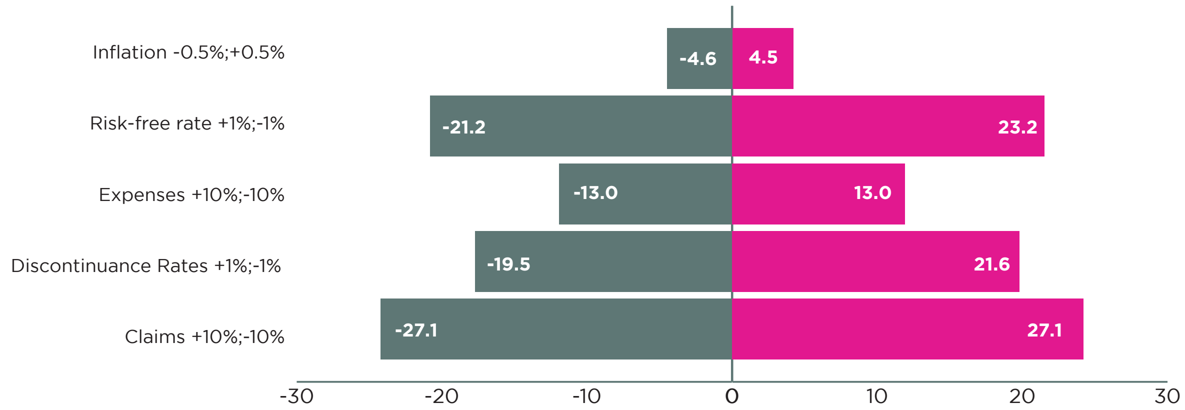
- The Group's listed overhead costs for the half year period (-$0.4 million after tax); and
- Costs considered unusual to the ordinary activities including those recognised in relation to the strategic review, wealth management exit and duplicate IT system costs.

Franking credit, ESP loan and other changes (+$14.8 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 FY23 fully franked dividend.
- Given non-recourse nature of the ESP loans, $0.9 million is considered as part of the EV calculations at 31 December 2023 (ESP loans have been valued at issue price per ESP share)[1].
- Other includes tax related and timing impacts in HY24.

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 53.8 cents per share at 31 December 2023, of the remaining 16.1 million ESP shares on issue (and included in the total shares on issue of 661.0 million), 1.9 million ESP shares are considered to be in the money with a ESP loan recoverable balance of $0.8 million. 14.2 million out of the money ESP shares could therefore be bought back, thereby reducing the shares on issue to 646.8 million shares. As such, $0.8 million of ESP loans have been added to the net assets and 646.8 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 2.6 million treasury shares, a further 9.0 million performance and restricted rights can be converted into ordinary shares - these have been excluded for the purposes of the calculation.

Chart 9: Embedded Value sensitivity analysis @ 4%DM



Industry Outlook

- The Australian life insurance market is increasingly attractive with improving industry profitability driven by structural reforms and a significant, and increasing, underinsurance gap.
- 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 with the core focus of the larger multinational players on the integration of the acquired businesses.
- There has been significant change across the industry due to the implementation of the new accounting standard, AASB 17.

Operational Outlook

- ClearView's strategic focus shifted back to new business sales from FY22, 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.
- ClearView has increased its exposure to underwriting risk for new business from 1 October 2023, thereby increasing the sum insured retained that should result in higher new business profit margins over time. This confidence to increase the underwriting risk exposure is due to the increased size of the in-force portfolios, improved Group capital position and industry profitability and product sustainability measures.
- ClearView's core focus has been on business simplification and uplift capability through data and analytics allowing for deeper insights.
- Significant progress has been made in the half year with regard to the exit from the wealth management business and the full exit from financial advice through the sale of the minority equity interest in Centrepoint Alliance. This is aligned to the core strategy and focus on life insurance and further growth and build out of the business.
- 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 the end of 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 continue to substantially offset cost inflation pressures.
- ClearView has continued to increase its new business market share, seeking to optimise insurance margins. Continued outperformance in profitable segments is a key initiative.

Financial Outlook

- The strong HY24 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 10.9% was achieved in the year (up from 5.1% in FY21), with new business up 55% to $17.5 million.
- Life Underlying NPAT margin of 10.9% was achieved in HY24, which is operating at the bottom end of 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 in line with expectation in HY24, noting superannuation is a significant funding source of life insurance.
- ClearView has a strong Balance Sheet and capital base -the net assets are backed by cash and highly rated securities.
- The net surplus capital position of the Group above internal benchmarks is $18.9 million at 31 December 2023 and is stated prior to the payment of the HY24 interim cash dividend of $9.9 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 last phase of the initial pricing cycle commenced in January 2024).
- An interim fully franked HY24 dividend of 1.50 cents per share was declared (first time an interim dividend has been paid). 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 capital generation position.
- Key FY26 Life insurance targets remain unchanged as follows:

FY26 Goals[3]

New Business Market Share[1]	Gross Premiums	In-force Premium Market Share[1]	Life Insurance Underlying NPAT Margin[2]	Dividend Policy
12-14%	$400m	$409m ~4%	11-13%	40-60% of Underlying NPAT[4]

- 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.
- ClearView has implemented AASB 17 in FY24 (with comparatives restated) and does not impact the underlying economics of the business including product cash flows and the ability to generate capital to invest in future growth.
- Underlying NPAT (from continuing operations) continues to be adopted by the Board as its key measure of Group profitability and basis for dividend payment decisions. It is used as a non IFRS measure of earnings that excludes the impacts of market and interest rate volatility, with the definition updated to reflect the application of AASB 17.
- 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%.

1 ClearView calculations based on NMG Risk Distribution Monitor Reports for Retail Advice In-force and New Business Analysis for relevant periods –NMG Market analysis 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.

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

4 Underlying NPAT (from continuing operations) continues to be adopted by the Board as its key measure of Group profitability and basis for dividend payment decisions. It is used as a non IFRS measure of earnings that excludes the impacts of market and interest rate volatility, with the definition updated to reflect the application of AASB 17. Underlying NPAT (from continuing operations) has been defined as the consolidated profit after tax excluding the effects of economic changes on both the AASB 17 policy liability and the incurred income protection claims liabilities, the (non-cash) impairment of the asset for acquisition cash flows (AIACF), capitalised loss recognition that is predominantly driven by the level premium business and any costs considered unusual to the Group's ordinary activities. Underlying NPAT includes the underlying investment income (the portfolio carry yield on the investment portfolio and interest rate earned on physical cash holdings), costs associated with the incurred claims reinsurance treaties and interest costs associated with corporate debt and Tier 2 Capital.

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 half year period ended 31 December 2023.

Events subsequent to reporting date

FY24 Interim Dividend

An interim fully franked cash dividend of 1.5 cents per share or $9.9 million has been declared subsequent to the half year ended 31 December 2023.

Sale of ClearView Financial Management Limited (**CFML**) to Human Financial Pty Limited (**Human Financial**)

On 31 January 2024, the sale of CFML to Human Financial was completed. Prior to the sale, in January 2024, ClearView received a pre-completion dividend of $0.75 million that does not result in CFML’s net tangible assets being less than $5 million. Under the terms of the sale agreement, the proceeds have a cash component of $5 million, to be received by 29 February 2024. Refer to Note 5 for detail.

Cancellation of licences of ClearView Life Nominees Pty Limited (**CLN**)

After retiring as a trustee for CRP in December 2023, on 8 January 2024, CLN lodged the cancellation applications for its Registrable Superannuation Entity (**RSE**) licence and Australian Financial Services (**AFS**) licence with APRA and ASIC, respectively. On 13 February 2024, ASIC confirmed the cancellation of the CLN’s AFS licence.

Auditor’s independence declaration

The auditor’s independence declaration is included on page 39.

Rounding off of amounts

ClearView 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 Directors’ Report and the half year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Directors made pursuant to s.303 (5) of the Corporations Act 2001.

On behalf of the Directors

Geoff Black
Chairman

21 February 2024

Auditor's Independence Declaration

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

As lead auditor for the review of the financial report of ClearView Wealth Limited for the half-year ended 31 December 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 review;

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

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

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

Ernst & Young

Louise Burns
Partner
21 February 2024

Condensed consolidated statement of profit or loss and other comprehensive income

For personal use only

For the half year ended 31 December 2023

	Note	Consolidated 6 months to 31 December 2023 $'000	Consolidated 6 months to 31 December 2022 $'000 Restated[1]
Continuing operations			
Insurance revenue	4	163,951	141,063
Insurance service expenses	4	(167,176)	(129,614)
Net income/(expense) from reinsurance contracts held	4	5,747	(6,790)
Insurance service result		**2,522**	**4,659**
Investment income		10,553	4,342
Net fair value gains on financial assets		4,361	1,904
Change in life investment policy liabilities		(170)	(137)
Net investment income		**14,744**	**6,109**
Finance (expenses)/income from insurance contracts issued	4	(5,830)	31,412
Finance income/(expense) from reinsurance contracts held	4	11,947	(21,820)
Net insurance finance expenses		**6,117**	**9,592**
Net insurance and investment result		**23,383**	**20,360**
Fee and other revenue		18	32
Other operating expenses		(7,124)	(5,371)
Other finance costs		(5,011)	(3,921)
Share of net profit of investment in associate		636	1,679
Gain on disposal of investment in associate	10	2,197	—
Profit/(Loss) before income tax expense		**14,099**	**12,779**
Income tax (expense)/benefit		(3,318)	(3,368)
Profit/(Loss) from continuing operations		**10,781**	**9,411**
Loss from discontinued operation	5	**(16,052)**	**(953)**
Total comprehensive (loss)/income for the period		**(5,271)**	**8,458**
Attributable to:			
Equity holders of the parent		(5,271)	8,458
Earnings per share - continuing operations	6.2		
Basic (cents per share)		1.68	1.47
Diluted (cents per share)		1.68	1.47
Earnings per share - continuing operations (excluding share of net profit and gain on disposal of investment in associate)	6.2		
Basic (cents per share)		1.24	1.21
Diluted (cents per share)		1.24	1.21
Earnings per share	6.2		
Basic (cents per share)		(0.82)	1.32
Diluted (cents per share)		(0.82)	1.32

1 The comparative condensed consolidated statement of profit or loss and other comprehensive income has been restated to reflect the retrospective application of AASB 17 Insurance Contracts and show the Wealth Management business as a discontinued operation separately from continuing operations.

To be read in conjunction with the accompanying Notes.

Condensed consolidated statement of financial position

For the half year ended 31 December 2023

		Consolidated	
	Note	31 December 2023 $'000	30 June 2023 $'000 Restated[1]
Assets			
Cash and cash equivalents		74,009	94,522
Investments	9	411,716	394,885
Receivables		36,701	22,384
Assets held for sale	5	1,871,903	1,926,893
Fixed interest deposits		22,856	22,897
Insurance contract assets	4	137,648	85,339
Reinsurance contract assets	4	184,478	138,520
Life investment contract assets		198	—
Deferred tax asset		45,701	46,633
Property, plant and equipment		648	647
Right-of-use assets		6,326	7,839
Investment in associate	10	—	13,440
Goodwill	8	4,011	4,011
Intangible assets	8	26,770	24,107
Total assets		**2,822,965**	**2,782,117**
Liabilities			
Payables		12,434	21,562
Current tax liabilities		8,130	12,550
Liabilities directly associated with assets held for sale	5	1,867,439	1,908,908
Provisions		5,419	7,834
Lease liabilities		7,046	8,598
Insurance contract liabilities	4	435,447	330,232
Reinsurance contract liabilities	4	11,237	7,897
Life investment contract liabilities		—	325
Deferred tax liabilities		622	585
Borrowings	11	31,000	16,000
Subordinated debt	12	74,371	74,200
Total liabilities		**2,453,145**	**2,388,691**
Net assets		**369,820**	**393,426**
Equity			
Issued capital	7	469,820	466,843
Retained (losses)/earnings		(105,211)	(80,109)
Share based payments reserve		5,211	6,692
Total equity		**369,820**	**393,426**

1 The comparative condensed consolidated statement of financial position has been restated to reflect the retrospective application of AASB 17 Insurance Contracts.

To be read in conjunction with the accompanying Notes.

Condensed consolidated statement of changes in equity

For the half year ended 31 December 2023

Consolidated	Share capital $'000	Share based payments reserve $'000	Retained (losses)/ earnings $'000	Attributable to the owners of the parent $'000
Balance at 1 July 2023 (restated)	**466,843**	**6,692**	**(80,109)**	**393,426**
Profit for the period	—	—	(5,271)	(5,271)
Total comprehensive income for the period	**—**	**—**	**(5,271)**	**(5,271)**
Recognition of share based payments[1]	—	71	—	71
Transfer from accrued employee entitlements[2]	—	490	—	490
Dividend paid	45	—	(19,831)	(19,786)
ESP loans settled through dividend	—	274	—	274
ESP shares vested/(forfeited)	2,932	(2,316)	—	616
Balance at 31 December 2023	**469,820**	**5,211**	**(105,211)**	**369,820**
Balance at 1 July 2022, as previously reported	**466,655**	**6,562**	**7,881**	**481,098**
Impact of initial application of AASB 17 (Note 1)	—	—	(83,653)	(83,653)
Balance at 1 July 2022 (restated)	**466,655**	**6,562**	**(75,772)**	**397,445**
Profit for the period (restated)	—	—	8,458	8,458
Total comprehensive income for the period (restated)	**—**	**—**	**8,458**	**8,458**
Recognition of share based payments[1]	—	(224)	—	(224)
Transfer from accrued employee entitlements[3]	—	435	—	435
Dividend paid	—	—	(13,220)	(13,220)
ESP loans settled through dividend	—	199	—	199
Balance at 31 December 2022 (restated)	**466,655**	**6,972**	**(80,534)**	**393,093**

1 FY24, FY23, FY22 and FY21 Long Term Variable Remuneration (LTVR)

2 FY23 Deferred Short Term Variable Remuneration (STVR)

3 FY22 Deferred Short Term Variable Remuneration (STVR)

To be read in conjunction with the accompanying Notes

Condensed consolidated statement of cash flows

For the half year ended 31 December 2023

	Consolidated	
	6 months to 31 December 2023	6 months to 31 December 2022
	$'000	$'000
		Restated[1]
Cash flows from operating activities		
Receipts from client and debtors	206,193	203,086
Payments to suppliers and other creditors	(209,645)	(189,969)
Incurred claims treaty settlements	2,342	1,791
Interest received	2,023	496
Income taxes paid	(6,720)	(7,938)
Net cash generated/(utilised) by continuing operating activities	**(5,807)**	**7,466**
Net cash generated/(utilised) by operating activities - discontinued operations	**(8,661)**	**40,604**
Net cash generated/(utilised) by operating activities	**(14,468)**	**48,070**
Cash flows from investing activities		
Dividend from associate	960	480
Payments for investment securities	(8,933)	(1,527)
Proceeds from sale of investments in associate	15,313	—
Acquisition of property, plant and equipment	(185)	(484)
Acquisition of capitalised software	(4,397)	(7,022)
Fixed interest deposits redeemed	41	—
Loans repayments received	93	90
Net cash generated/(utilised) by investing activities - continuing operations	**2,892**	**(8,463)**
Net cash generated/(utilised) by investing activities - discontinued operations	**99,233**	**42,403**
Net cash generated/(utilised) by investing activities	**102,125**	**33,940**
Cash flows from financing activities		
Proceeds from draw down of bank debt	15,000	—
Interest and other finance costs	(10,126)	(7,210)
Repayment of lease liability	(1,551)	(1,457)
Repayment of ESP loans	724	199
Dividend paid	(19,512)	(13,221)
Net cash generated/(utilised) by financing activities - continuing operations	**(15,465)**	**(21,689)**
Net cash generated/(utilised) by financing activities - discontinued operations	**(90,753)**	**(90,733)**
Net cash generated/(utilised) by financing activities	**(106,218)**	**(112,422)**
Net increase/(decrease) in cash and cash equivalents	(18,561)	(30,412)
Cash and cash equivalents at the beginning of the financial year	138,852	150,735
Cash and cash equivalents at the end of the financial period	**120,291**	**120,323**
Included in assets held for sale (see Note 5)	46,282	—
Cash and cash equivalents attributable to continuing operations at the end of the financial period	**74,009**	**120,323**

1 The comparative condensed consolidated statement of cash flows has been restated to show the Wealth Management business as a discontinued operation separately from continuing operations.

To be read in conjunction with the accompanying Notes.

1. About this report

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 Half Year Report. The principal activities of the Company and its subsidiaries (the Group) are described in Note 3.

Statement of compliance

The half year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The half year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

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 Directors' Report and the half year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies adopted in the preparation of the interim set of financial statements are consistent with those adopted and disclosed in the Group's annual financial report for the year ended 30 June 2023, other than where disclosed and with the exception of changes in accounting policies required following the adoption of AASB 17 Insurance Contracts on 1 July 2023. Changes to the Group's key accounting policies during the period are described in this report in the section titled 'New Australian Accounting standards and amendments to Accounting Standards that are effective in the current period'.

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

a) New Australian Accounting Standards and amendments to Accounting Standards that are effective in the current period

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, other than as set out below:

AASB 17 Insurance Contracts

AASB 17, the new accounting standard for insurance contracts, was adopted by the Australian Accounting Standards Board in July 2017. The first applicable reporting period for ClearView is the half year ended 31 December 2023, with the restated comparative period ended 31 December 2022 and 30 June 2023. Refer to Note 4 for accounting policy information.

The effects of adopting AASB 17 on the retained earnings as at 1 July 2022 are $83.6 million. A breakdown of the impact on transition is reflected in the Balance Sheet reported below:

1 July 2022	AASB 1038 $'000	Derecognition $'000	Reclassification $'000	AASB 17 recognition $'000	AASB 17 $'000	
Assets						**Assets**
Cash and cash equivalents	150,735	—	—	—	150,735	Cash and cash equivalents
Investments	2,289,624	—	—	—	2,289,624	Investments
Receivables[1]	35,003	—	(7,701)	—	27,302	Receivables
Fixed interest deposits	2,897	—	—	—	2,897	Fixed interest deposits
	—	—	—	124,674	124,674	Insurance contract assets
Reinsurers' share of life insurance policy liabilities[4]	26,367	(26,367)	(28,977)	138,157	109,180	Reinsurance contract assets
Deferred tax asset[5]	11,915	—	—	35,851	47,766	Deferred tax asset
Property, plant and equipment	468	—	—	—	468	Property, plant and equipment
Right-of-use assets	10,456	—	—	—	10,456	Right-of-use assets
Investment in associate	13,734	—	—	—	13,734	Investment in associate
Goodwill	12,511	—	—	—	12,511	Goodwill
Intangible assets	17,368	—	—	—	17,368	Intangible assets
Total assets	**2,571,078**	**(26,367)**	**(36,678)**	**298,682**	**2,806,715**	Total assets
Liabilities						**Liabilities**
Payables[2]	50,297	—	(29,174)	—	21,123	Payables
Current tax liabilities	1,425	—	—	—	1,425	Current tax liabilities
Provisions[3]	6,321	—	(202)	—	6,119	Provisions
Lease liabilities	11,160	—	—	—	11,160	Lease liabilities
Life insurance policy liabilities[4]	(10,676)	10,676	(7,302)	327,214	319,912	Insurance contract liabilities
	—	—	—	18,078	18,078	Reinsurance contract liabilities
Life investment contract liabilities	1,295,378	—	—	—	1,295,378	Life investment contract liabilities
Liability to non-controlling interest in controlled unit trusts	645,612	—	—	—	645,612	Liability to non-controlling interest in controlled unit trusts
Deferred tax liabilities	606	—	—	—	606	Deferred tax liabilities
Borrowings	16,000	—		—	16,000	Borrowings
Subordinated debt	73,857	—	—	—	73,857	Subordinated debt
Total liabilities	**2,089,980**	**10,676**	**(36,678)**	**345,292**	**2,409,270**	Total liabilities
Net assets	**481,098**	**(37,043)**	**—**	**(46,610)**	**397,445**	Net assets
Equity						**Equity**
Issued capital	466,655	—	—	—	466,655	Issued capital
Retained earnings	7,881	(37,043)	—	(46,610)	(75,772)	Retained losses
Share based payments reserve	6,562	—	—	—	6,562	Share based payments reserve
Total equity	**481,098**	**(37,043)**	**—**	**(46,610)**	**397,445**	Total equity

1 The reclassification of receivables relate to premium receivable balances, now a part of insurance contract assets and liabilities, remeasured in accordance with AASB 17 requirements.

2 The reclassification of payables relate to reinsurance premium payable balances and commission payable balances, now a part of (re)insurance contract assets and liabilities, remeasured in accordance with AASB 17 requirements.

3 The reclassification of provisions relate to provision for reinsurance recoveries, now a part of reinsurance contract assets and liabilities, remeasured in accordance with AASB 17 requirements.

4 Reinsurers' share of life insurance policy liabilities and life insurance policy liabilities are derecognised and replaced by reinsurance and insurance contract assets and liabilities, remeasured in accordance with AASB 17 requirements.

5 The recognition of deferred tax assets relates to the tax impact of restatement of retained earnings.

In September 2022, APRA finalised changes to the capital and reporting frameworks for insurance in response to the introduction of AASB 17. Subsequently, APRA made minor amendments to the finalised standards in June 2023.

Under the amended reporting standards, capital base adjustments reflects the difference between the adjusted policy liabilities held for capital purposes and the policy liabilities held under AASB 17. This predominantly reflects the removal of the deferred acquisition cost asset (AIACF) that is not permitted to be counted in the regulatory capital base under the APRA capital standards. The capital base adjustment also includes the removal of any deferred tax assets that cannot be included under the standards.

The 1 July 2022 opening Balance Sheet impact on net assets for in-force business as at the transition date has an impact of $83.6 million after tax. As a result of the transition to AASB 17, the Group's accounting net life insurance policy liability, for which the carrying amount will be settled in future periods has increased. This results in an increase in the deductible temporary differences and a related deferred tax asset of $35.9 million, given the movement in the net life insurance policy liability is deductible when settled in the future. While the Australian Taxation Office (ATO) and Treasury has yet to provide any announcement or guidance in respect of the AASB17 impacts on life insurance companies, there is no indication as at the date of the report that AASB 17 will result in a change to the income tax laws. As these temporary differences create income tax losses on transition, given that it is probable that the Group's future taxable profit will be available against which the tax losses can be utilised, the additional deferred tax asset of $35.9 million has been recognised on balance sheet on transition. However, no capital benefit has been taken into account in the half year period. The tax benefit should be realised in future periods as the losses are utilised.

The ClearView's regulatory capital base and prescribed capital amount do not change significantly under the amended capital prudential and reporting standards.

b) New accounting standards issued but not yet effective

A number of new accounting standards and amendments have been issued but are not yet effective, none of which have been early adopted by ClearView in the half year financial report. These new accounting standards and amendments, when applied in future periods, are not expected to have a material impact on the financial position or performance of the Group.

Use of estimates, assumptions and judgements

The preparation of these Condensed Consolidated Financial Statements requires the use of management judgement, estimates and assumptions that affect reported amounts and the application of accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. The Board believes that the estimates used in preparing the financial report are reasonable. Actual results in the future may differ from those reported and it is therefore reasonably possible, on the basis of existing knowledge, that outcomes within the next financial period that are different from the Consolidated Entity's assumptions and estimates could require an adjustment to the carrying amounts of the reported assets and liabilities.

Below are the key areas in which critical judgements and estimates are applied and should be considered when reviewing the financial statements for the half year ended 31 December 2023.

- Insurance and reinsurance contract assets and liabilities including actuarial methods and assumptions (Note 4);
- Recoverability of intangible assets and goodwill (Note 8); and
- Deferred tax assets (Note 4.2.5).

2. Events subsequent to reporting date

FY24 Interim Dividend

An interim fully franked FY24 cash dividend of 1.5 cents per share or $9.9 million has been declared subsequent to the half year ended 31 December 2023.

Sale of ClearView Financial Management Limited (**CFML**) to Human Financial Pty Limited (**Human Financial**)

On 31 January 2024, the sale of CFML to Human Financial was completed. Prior to the sale, in January 2024, ClearView received a pre-completion dividend of $0.75 million that does not result in CFML's net tangible assets being less than $5 million. Under the terms of the sale agreement, the proceeds have a cash component of $5 million, to be received by 29 February 2024. Refer to Note 5 for detail.

Cancellation of licences of ClearView Life Nominees Pty Limited (**CLN**)

After retiring as a trustee for CRP in December 2023, on 8 January 2024, CLN lodged the cancellation applications for its Registrable Superannuation Entity (RSE) licence and Australian Financial Services (AFS) licence with APRA and ASIC, respectively. On 13 February 2024, ASIC confirmed the cancellation of the CLN's AFS licence.

3. 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 (discontinued operations - see detail in section (b) below).

ClearView acquired a 24.5% holding (48 million shares) in Centrepoint Alliance Limited (Centrepoint Alliance) on 1 November 2021 as part of the consideration for the sale of ClearView's financial advice businesses to Centrepoint Alliance.

On 17 November 2023, ClearView announced the sale of approximately 39.56 million shares in Centrepoint Alliance to COG Financial Services Limited (COG), at a share price of 33 cents per share representing total consideration of $13.05 million. The sale shares represented approximately 19.9% of Centrepoint Alliance's total issued capital at that time. The remaining 8.44 million shares were subsequently sold on the market from 17 November 2023, at an average exit price of circa 27 cents per share, representing total consideration of $2.2 million. ClearView has fully divested the investment in Centrepoint Alliance as at 31 December 2023. ClearView's holding in Centrepoint Alliance was until its disposal, accounted for under the equity accounting method.

The Listed/Other segment 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, and the equity accounted earnings of Centrepoint Alliance until its sale, 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 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 31 December 2023, ClearView had combined in-force life insurance premiums of $359.2 million (HY23: $325.1 million).

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 retails 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 and as at 31 December 2023, had total FUM of $3.3 billion (30 June 2023: $3.4 billion).

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 continues to be committed to the exit of the wealth management business given its lack of scale and limited growth options, with significant progress made during the half year under review.

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.

In November 2023 and January 2024, ClearView signed revised sale agreements with Human Financial. Under the terms of the revised sale agreements, the proceeds have a cash component of $5 million, with no allowance for an equity interest in Human Financial. Prior to the sale, in January 2024, ClearView received a pre-completion dividend of $0.75 million that does not result in CFML's net tangible assets being less than $5 million. Completion of the sale occurred on 31 January 2024, with a deferred consideration to be received by 29 February 2024.

The superannuation fund trustee, ClearView Life Nominees Pty Limited (**CLN**) retired as the trustee of the ClearView Retirement Plan (**CRP**) in December 2023, with the simultaneous appointment of Equity Trustees Superannuation Limited (**ETSL**) (**DORA**).

The completion of these actions clears the way for ClearView to now fully exit the wealth management segment over the coming months (upon terminating two remaining life investment contracts held by ETSL as trustee of the CRP).

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 of the final steps to exit (including the unwind of the life investment contracts) continues to be uncertain but is expected to be before the end of 1H FY25.

In accordance with AASB 5 Non-Current Assets Held for Sale and Discontinued Operations, the wealth management segment continues to meet the criteria to be classified as held for sale in the consolidated financial statements for the period ended 31 December 2023. As such it is reported as a discontinued operation. Refer to Note 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.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in the 30 June 2023 Annual Report, apart from the implementation of AASB 17 since 1 July 2023 (see Note 4 for detail).

	Total Revenue		Inter-Segment Revenue		Consolidated Revenue	
	6 months to 31 December 2023	6 months to 31 December 2022	6 months to 31 December 2023	6 months to 31 December 2022	6 months to 31 December 2023	6 months to 31 December 2022
(Restated)	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Segment revenue						
Life Insurance	173,687	145,085	–	–	173,687	145,085
Listed entity/Other	835	352	–	–	835	352
Consolidated segment revenue from continuing operations	**174,522**	**145,437**	**–**	**–**	**174,522**	**145,437**

Underlying net profit after tax is the Group's key measures of business performance and are disclosed below by segment.

31 December 2023	Life Insurance	Listed Entity/ Other	Continuing operations - Total	Discontinued operations	Total
	$'000	$'000	$'000	$'000	$'000
Underlying net profit/(loss) after tax before equity accounted interest	**19,404**	**(2,069)**	**17,335**	**(1,868)**	**15,467**
Equity accounted interest[1]	—	2,833	**2,833**	—	**2,833**
Underlying net profit/(loss) after tax	**19,404**	**764**	**20,168**	**(1,868)**	**18,300**
Changes in loss component[2]	(1,342)	—	**(1,342)**	—	**(1,342)**
Economic assumption impact on AASB17 liability (LRC)[3]	1,509	—	**1,509**	—	**1,509**
Net economic assumption impact on disabled lives reserve (DLR)[3]	1,207	—	**1,207**	—	**1,207**
Changes in AIACF impairment[4]	(8,897)	—	**(8,897)**	—	**(8,897)**
Wealth Management impairments[5]	—	—	**—**	(12,237)	**(12,237)**
Wealth Management divestment[6]	—	—	**—**	(1,938)	**(1,938)**
Strategic review/restructure costs[7]	—	(304)	**(304)**	—	**(304)**
Other costs[8]	(1,569)	—	**(1,569)**	—	**(1,569)**
Reported profit/(loss) per management reported results	**10,312**	**460**	**10,772**	**(16,043)**	**(5,271)**
Reclassification (for statutory results)[9]	9	—	**9**	(9)	**—**
Reported profit/(loss) per statutory results	**10,321**	**460**	**10,781**	**(16,052)**	**(5,271)**
31 December 2022 (Restated)					
Underlying net profit/(loss) after tax before equity accounted interest	**14,739**	**(2,070)**	**12,669**	**(964)**	**11,705**
Equity accounted interest[1]	—	1,679	**1,679**	—	**1,679**
Underlying net profit/(loss) after tax	**14,739**	**(391)**	**14,348**	**(964)**	**13,384**
Changes in loss component[2]	(1,163)	—	**(1,163)**	—	**(1,163)**
Economic assumption impact on AASB17 liability (LRC)[3]	2,422	—	**2,422**	—	**2,422**
Net economic assumption impact on disabled lives reserve (DLR)[3]	289	—	**289**	—	**289**
Changes in AIACF impairment[4]	(5,089)	—	**(5,089)**	—	**(5,089)**
Strategic review/restructure costs[7]	—	(418)	**(418)**	—	**(418)**
Other costs[8]	(1,105)	—	**(1,105)**	138	**(967)**
Reported profit/(loss) per management reported results	**10,093**	**(809)**	**9,284**	**(826)**	**8,458**
Reclassification (for statutory results)[9]	127	—	**127**	(127)	**—**
Reported profit/(loss) per statutory results	**10,220**	**(809)**	**9,411**	**(953)**	**8,458**

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 (Centrepoint Alliance) for the period until disposal in November 2023 (HY23: 6 month period from 1 July to 31 December 2022).

2 The changes in loss component have been separately reported given capitalised nature of these losses and the level of granularity of reporting under AASB 17.

3 The economic assumption impact (i.e. discount rate) is the result of changes in the long term discount rates used to determine the (re)insurance contract asset/liability which is discounted using market discount rates that typically vary at each reporting date and create volatility in the (re)insurance contract asset/liability and consequently, earnings. ClearView separately reports this volatility.

4 The changes in AIACF impairment relate to non- cash impairment of acquisition cost asset and represents a timing difference in the release of profit and has no impact on underlying earnings over the life cycle of a policy.

5 These relate to the impairment of goodwill, intangible assets and costs to sell of the Wealth Management business. See Note 5 for detail.

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

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

8 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.

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

4. Insurance and reinsurance contracts

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Group has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Group to financial risk are classified as life investment contracts and follow financial instruments accounting under AASB 9.

In the normal course of business, the Group uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers risk if it transfers a component of the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

The Group does not issue any contracts with direct participating features.

Summary of measurement approaches

AASB 17 introduces different measurement models in calculating (re)insurance contract assets and liabilities reflecting the different extents of policyholder participation in investment or insurance entity performance: non-participating or indirect (the general measurement model (GMM)) and direct participating (the variable fee approach (VFA)). For short-duration contracts, AASB 17 permits a simplified approach (the premium allocation approach (PAA)), which can be applied to contracts that have a coverage period of 12 months or less or for which such simplification would produce a measurement of the liability for remaining coverage that would not differ materially from the one that would be produced applying GMM.

ClearView has applied the GMM for recognition and measurement of all insurance contracts issued and reinsurance contracts held.

	Product classification	Measurement model
Contracts issued		
Life insurance contracts	Insurance contracts issued	General measurement model (GMM)
Life investment contracts	Financial instruments	Financial liabilities measured at FVTPL under AASB 9
Reinsurance contracts held		
Reinsurance contracts	Reinsurance contracts held	General measurement model

4.1 Insurance and reinsurance contract accounting treatment

4.1.1 Separating components from insurance and reinsurance contracts

The Group assesses its life insurance and reinsurance contracts to determine whether they contain components which must be accounted for under an accounting standard other than AASB 17 (distinct non insurance components). After separating any distinct components, the Group must apply AASB 17 to all remaining components of the (host) insurance contract. As at the date of this report, the Group's products do not include distinct components that require separation.

4.1.2 Level of aggregation

The Group has defined portfolios of insurance contracts (PICs) issued based on its business sold under ClearView ClearChoice (open to new business), LifeSolutions (closed to new business) and a group of older legacy non-advice based business (closed to new business) due to the facts that the products are subject to similar risks and managed together. The business is also split between stepped and non-stepped (level) premium and lump sum and disability income features. Each portfolio is further disaggregated into groups of contracts (GICs) split by profitability (or onerous) categories and contain contracts issued no more than 12 months apart (cohorts).

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. The level of aggregation of reinsurance contracts is determined in the same manner as the insurance contracts issued, apart from the split between stepped and non-stepped premium which does not apply to the groups of reinsurance contracts.

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

4.1.3 Recognition and derecognition

4.1.3.1 Contract recognition

The Group recognises groups of insurance contracts that it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group is due, or when the first payment is received if there is no due date; and
- For a group of onerous contracts, as soon as facts and circumstances indicate that the group is onerous.

The Group recognises a group of reinsurance contracts held it has entered into from the earliest of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date when any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held; and
- The date the Group recognises an onerous group of underlying insurance contracts if the Group entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

The reinsurance contracts held by the Group provide proportionate cover. Therefore the Group does not recognise a proportional reinsurance contract held until at least one underlying direct insurance contract has been recognised.

The Group adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

4.1.3.2 Contract modification and derecognition

An insurance contract is derecognised when it is:

- extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified and certain additional criteria are met.

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the fulfilment cash flows (FCF), unless the conditions for the derecognition of the original contract are met. The Group derecognises the original contract and recognises the modified contract as a new contract if the modified terms had been included at contract inception and the Group would have concluded that the modified contract:

- is not in scope of AASB 17;
- results in different separable components;
- results in a different contract boundary; or
- belongs to a different group of contracts.

When an insurance contract is derecognised from within a group of insurance contracts, the Group:

- Adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group;
- Adjusts the contractual service margin (CSM) (unless the decrease in the FCF is allocated to the loss component of the liability for remaining coverage (LRC) of the group) in the following manner, depending on the reason for the derecognition:
  - If the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service.
  - If the contract is transferred to a third party, in the amount of the FCF adjustment less the premium charged by the third party.
  - If the original contract is modified resulting in its derecognition, in the amount of the FCF adjustment adjusted for the premium the Group would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification. When recognising the new contract in this case, the Group assumes such a hypothetical premium as actually received.

- Adjusts the number of coverage units for the expected remaining coverage to reflect the number of coverage units removed.

4.1.4 Measurement - general model

4.1.4.1 Fulfilment cash flows

Fulfilment cash flows within contract boundary

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

- are based on a probability weighted mean of the full range of possible outcomes;
- are determined from the perspective of the Group, discounted using discount rates which are consistent with observable market prices for market variables; and
- reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

Risk of the Group's non-performance is not included in the measurement of groups of insurance contracts issued. In the measurement of reinsurance contracts held, the probability weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Group estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts.

The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

Contract boundary

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance coverage or other services. A substantive obligation ends when:

- the Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
- both of the following criteria are satisfied:
    - the Group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
    - the pricing of premiums related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Group, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included.

Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, that are issued together with the main insurance contracts form part of a single insurance contract with all the cash flows within its boundary.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

The Group's underlying (gross) yearly renewal term (YRT) stepped premium business contract boundary is determined to be short-term or 12-month contract boundary. This applies to both the lump sum and disability income business and results in the recognition of 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. The Group's other business (non-stepped premium) contract boundary is long-term.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive services from the reinsurer.

The Group's reinsurance agreements held have an unlimited duration but are cancellable for new underlying business with 90 day notice period by either party. Therefore, the Group treats such reinsurance contracts as a series of quarterly contracts that cover underlying business issued within a quarter. Estimates of future cash flows arising from all underlying contracts issued and expected to be issued within one-quarter's boundary are included in each of the reinsurance contracts' measurement.

Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

Insurance acquisition cash flows

The Group includes the following acquisition cash flows within the insurance contract boundary that arise from selling, underwriting and starting a group of insurance contracts and that are:

- costs directly attributable to individual contracts and groups of contracts; and
- costs directly attributable to the portfolio of insurance contracts to which the group belongs, which are allocated on a reasonable and consistent basis to measure the group of insurance contracts.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group. The asset for insurance acquisition cash flow (AIACF) is derecognised from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the CSM of the related group of insurance contracts.

The Group systematically and rationally allocates insurance acquisition cash flows to groups of insurance contracts by using the present value of premiums as the key driver of allocation.

The impairment and recoverability of the AIACF is assessed at the end of each reporting period if there are facts and circumstances indicating that the asset may be impaired. The Group performs impairment assessment for the asset for each future group of contracts and across each new business origination year. If the Group identifies an impairment loss, the Group shall adjust the carrying amount of the asset and recognise the impairment loss in profit or loss. The Group shall recognise in profit or loss a reversal of some or all of an impairment loss previously recognised and increase the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows and reflects the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

4.1.4.2 Initial measurement

Contractual service margin

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides coverage in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous) arising from:

- the initial recognition of the FCF;
- the derecognition at the date of initial recognition of any asset or liability recognised for insurance acquisition cash flows; and
- cash flows arising from the contracts in the group at that date.

A negative CSM at the date of inception means the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately with no CSM recognised on the balance sheet on initial recognition.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Group recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Group will recognise as a reinsurance expense as it receives insurance contract services from the reinsurer in the future and is calculated as the sum of:

- the initial recognition of the FCF; and
- cash flows arising from the contracts in the group at that date;
- the amount derecognised at the date of initial recognition of any asset or liability previously recognised for cash flows related to the group of reinsurance contracts held; and
- any income recognised in profit or loss when the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised. This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

4.1.4.3 Subsequent measurement

The carrying amount at the end of each reporting period of a group of insurance contracts issued is the sum of:

- the LRC, comprising:
  - the FCF related to future service allocated to the group at that date; and
  - the CSM of the group at that date; and
- the liability for incurred claims (LIC), comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount at the end of each reporting period of a group of reinsurance contracts held is the sum of:

- the remaining coverage, comprising:
  - the FCF related to future service allocated to the group at that date; and
  - the CSM of the group at that date; and
- the asset for incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

Changes in fulfilment cash flows

The FCF are updated by the Group for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates.

The way in which the changes in estimates of the FCF are treated depends on which estimate is being updated:

- changes that relate to current or past service are recognised in profit or loss; and
- changes that relate to future service are recognised by adjusting the CSM or the loss component within the LRC as per the policy below.

For insurance contracts under the GMM, the following adjustments relate to future service and therefore adjust the CSM:

- experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows;
- changes in estimates of the present value of future cash flows in the LRC; and
- changes in the risk adjustment for non-financial risk that relate to future service.

The first two adjustments above are measured using the locked-in discount rates as described in the section Interest accretion on the CSM below.

For insurance contracts under the GMM, the following adjustments do not relate to future service and therefore do not adjust the CSM:

- changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereof;
- changes in the FCF relating to the LIC; and
- experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

Changes to the contractual service margin

For insurance contracts issued, at the end of each reporting period, the carrying amount of the CSM is adjusted by the Group to reflect the effect of the following changes:

- The effect of any new contracts added to the group;
- For contracts measured under the GMM, interest accreted on the carrying amount of the CSM;
- Changes in the FCF relating to future service are recognised by adjusting the CSM. Changes in the FCF are recognised in the CSM to the extent the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised within the LRC. When the CSM is zero, changes in the FCF adjust the loss component within the LRC with correspondence to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM; and
- The amount recognised as insurance revenue for services provided during the period determined after all other adjustments above.

For a group of reinsurance contracts held, at the end of each reporting period, the carrying amount of the CSM is adjusted to reflect effect of the following changes:

- The effect of any new contracts added to the group;
- Interest accreted on the carrying amount of the CSM;
- Income recognised in profit or loss when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance

contracts to that group. A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised;

- Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held;
- Changes in the FCF, to the extent that the change relates to future service, unless the change results from a change in FCF allocated to a group of underlying insurance contracts that does not adjust the CSM for the group of underlying insurance contracts; and
- The amount recognised in profit or loss for insurance contract services received during the period, determined after all other adjustments above.

Refer to the Reinsurance contracts held – Loss recovery component section below for loss-recovery component accounting.

Interest accretion on the CSM

Under the GMM, interest is accreted on the CSM using discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns of underlying items (locked-in discount rates). If more contracts are added to the existing groups in the subsequent reporting periods, the Group revises the locked-in discount curves by calculating weighted-average discount curves over the period that contracts in the group are issued. The weighted-average discount curves are determined by multiplying the new CSM added to the group and their corresponding discount curves over the total CSM.

Adjusting the CSM for changes in the FCF relating to future service

The CSM is adjusted for changes in the FCF measured applying the discount rates as specified above in the changes in fulfilment cash flows section.

Release of the CSM to profit or loss

The amount of the CSM recognised in profit or loss for services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units.

The coverage period is defined as a period during which the Group provides insurance contract services. For all contracts issued by the Group, the coverage period is determined by insurance coverage.

The total number of coverage units in a group is the quantity of coverage provided by the contracts in the group over the expected coverage period. The coverage units are determined at each reporting period-end prospectively by considering:

- the quantity of benefits provided by contracts in the group;
- the expected coverage duration of contracts in the group; and
- the likelihood of insured events occurring, only to the extent that they affect the expected duration of contracts in the group.

The Group uses the amount that it expects the policyholder to be able to validly claim in each period if an insured event occurs as the basis for the quantity of benefits.

The Group reflects the time value of money in the allocation of the CSM to coverage units.

For reinsurance contracts held, the CSM is released to profit or loss as services are received from the reinsurer in the period.

Coverage units for the reinsurance contracts are based on the insurance coverage provided by the reinsurer and are determined by the ceded policies' coverage units taking into account new business projected within the reinsurance contract boundary.

The coverage period for these contracts is determined based on the coverage of all underlying contracts whose cash flows are included in the reinsurance contract boundary.

Onerous contracts - Loss component

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Group recognises the excess in insurance service expenses and records it as a loss component of the LRC.

When a loss component exists, the Group allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

- expected incurred claims and expenses for the period;
- changes in the risk adjustment for non-financial risk for the risk expired; and
- finance income (expenses) from insurance contracts issued.

The amounts of loss component allocation in the first two bullets above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF relating to future service in subsequent periods increase the loss component.

Reinsurance contracts held - Loss-recovery component

A loss-recovery component is established or adjusted within the asset for remaining coverage for reinsurance contracts held for the amount of income recognised in profit or loss when the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to
that group.

Subsequently, the loss-recovery component is adjusted to reflect changes in the loss component of an onerous group of underlying insurance contracts discussed in the Onerous contracts – Loss component section above. The loss-recovery component is further adjusted, if required, to ensure that it does not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Group expects to recover from the group of reinsurance contracts held.

The loss-recovery component determines the amounts that are presented as a reduction of incurred claims recovery from reinsurance contracts held and are consequently excluded from the reinsurance expenses determination.

4.1.5 Amounts recognised in comprehensive income

4.1.5.1 Insurance service result from insurance contract issued

Insurance revenue

As the Group provides services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration the Group expects to be entitled to in exchange for those services.

Insurance revenue comprises the following:

- Amounts relating to the changes in the LRC:
  - insurance claims and expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
    - amounts related to the loss component;
    - amounts of transaction-based taxes collected in a fiduciary capacity; and
    - insurance acquisition expenses;
  - changes in the risk adjustment for non-financial risk, excluding:
- changes included in insurance finance income (expenses);
- changes that relate to future coverage (which adjust the CSM); and
- amounts allocated to the loss component;
  - amounts of the CSM recognised in profit or loss for the services provided in the period; and
  - experience adjustments arising from premiums received in the period that relate to past and current service and related cash flows such as insurance acquisition cash flows and premium-based taxes.
- Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows on the basis of the passage of time over the expected coverage of a group of contracts.

Insurance service expenses

Insurance service expenses include the following:

- incurred claims and benefits;
- other incurred directly attributable insurance service expenses;
- amortisation of insurance acquisition cash flows;
- changes that relate to past service (that is, changes in the FCF relating to the LIC); and
- changes that relate to future service (that is, losses/reversals on onerous groups of contracts from changes in the loss components).

Amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue as described above.

Other expenses not meeting the above categories are included in other operating expenses in the consolidated statement of profit or loss.

4.1.5.2 Insurance service result from reinsurance contract held

Net income/(expense) from reinsurance contract held

The Group presents financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:

- reinsurance expenses;
- incurred claims recovery;
- other incurred directly attributable insurance service expenses;
- effect of changes in risk of reinsurer non-performance;

- changes that relate to future service (that is, changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts); and
- changes relating to past service (that is, adjustments to recoveries of incurred claims).

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received services at an amount that reflects the portion of ceding premiums the Group expects to pay in exchange for those services.

Reinsurance expenses comprise the following amounts relating to changes in the remaining coverage:

- insurance claims and other expenses recovery in the period measured at the amounts expected to be incurred at the beginning of the period;
- changes in the risk adjustment for non-financial risk, excluding:
  - changes included in finance income (expenses) from reinsurance contracts held; and
  - changes that relate to future coverage (which adjust the CSM);
- amounts of the CSM recognised in profit or loss for the services received in the period; and
- ceded premium experience adjustments relating to past and current service.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses.

4.1.5.3 Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- the effect of the time value of money and changes in the time value of money; and
- the effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:

- interest accreted on the FCF, the CSM and the AIACF; and
- the effect of changes in interest rates and other financial assumptions.

The Group includes all insurance finance income or expenses for the period in profit or loss.

4.1.6 Transition approaches

The Group has adopted AASB 17 retrospectively, applying alternative transition methods where the full retrospective approach was impracticable. The full retrospective approach was applied to the insurance contracts in force at the transition date that were originated less than three years prior to transition. The modified retrospective approach was applied to the insurance contracts that were originated more than three years prior to transition. The fair value approach was applied to a group of older legacy non-advice based business regardless of the origination years of the policies within the group.

The transition approach was determined at a group of insurance contracts level and affected the approach to calculating the CSM on initial adoption of AASB 17:

- full retrospective approach - the CSM at inception is based on initial assumptions when groups of contracts were incepted and rolled forward to the date of transition as if AASB 17 had always been applied;
- modified retrospective approach - the CSM at inception is calculated based on assumptions at transition using some simplifications and taking into account the actual pre-transition FCF; and
- fair value approach - the pre-transition FCF and experience are not considered.

The Group has determined that it would be impracticable to apply the full retrospective approach where any of the following conditions existed:

- The effects of the full retrospective application were not determinable;
- The full retrospective application required assumptions that would have been made in an earlier period;
- The full retrospective application required significant estimates of amounts, and it was impossible to distinguish objectively between information about those estimates that provided evidence of circumstances that (i) existed on the date at which those amounts were to be recognised, measured or disclosed; and (ii) would have been available when the consolidated financial statements for that prior period were authorised for issue, and other information.

For AIACF, the transition approaches follow the approaches applied to the underlying contracts, which were the following:

- The fully retrospective approach was applied to recent stepped premium business for LifeSolutions and ClearChoice groups of underlying contracts;

- The modified retrospective approach was applied to the older stepped premium LifeSolutions groups of underlying contracts; and
- The fair value approach was applied to non-advice and legacy groups.

For reinsurance contracts held, the transition approaches were applied as following:

- The fully retrospective approach was applied to the reinsurance contracts held backing recent LifeSolutions and ClearChoice groups of underlying contracts where required input data is available;
- The modified retrospective approach was applied to the reinsurance contracts held backing older LifeSolutions and ClearChoice groups of underlying contracts where it is impractical to source required input data; and
- The fair value approach was applied to the reinsurance contracts held backing non-advice and legacy groups of underlying contracts.

4.1.6.1 Fully retrospective approach

The Group has determined that reasonable and supportable information was available for all contracts in force at the transition date that were issued within three years prior to the transition.

Accordingly, the Group has recognised and measured each group of insurance contracts in this category as if AASB 17 had always applied; derecognised any existing balances that would not exist had AASB 17 always applied; and recognised any resulting net difference in equity.

4.1.6.2 Modified retrospective approach

After making reasonable efforts to gather necessary historical information, the Group has determined that for certain groups of contracts, such information was not available or not available in a form that would enable it to be used without undue cost and effort. It was therefore impracticable to apply the full retrospective approach, and either the modified retrospective approach or the fair value approach has been used for these groups.

The Group has determined to apply the modified retrospective approach to all groups of contracts in force as at transition and originated more than three years prior to the transition date, where the full retrospective approach has not been applied as it was impracticable. The exception is a group of older legacy non-advice based business where the fair value approach is applied for all cohorts.

The key simplifications used for the modified retrospective approach include:

- Combining historical groups of contracts into one group for all FY19 and earlier cohorts;
- Using transition date information to identify groups of contracts, including onerous contract assessment;
- Using combination of historical actual cash flows and projected future cash flows to estimate a group of contracts' total future cash flows from initial recognition;
- Determining the discount rates to be used at initial recognition based on a weighted average of observable yield curves; and
- Determining the risk adjustment for non-financial risk at initial recognition by adjusting the risk adjustment for non-financial risk.

4.1.6.3 Fair value approach

The Group applied the fair value approach to all cohorts of the group of older legacy non-advice based business.

Applying the fair value approach, the Group determined the CSM to be the difference between the fair value of a group of insurance contracts, measured in accordance with AASB 13 Fair Value Measurement (AASB 13), and its FCF at the transition date.

The fair value of an insurance liability is the price a market participant would be willing to pay to assume the obligation and the remaining risks of the in force contracts as at the transition date.

In estimating the fair value of groups of insurance contracts, the following considerations were applied:

- only future cash flows within the boundaries of the insurance contracts were included in the fair value estimation excluding future renewals and new business that would be outside the contract boundary of the contracts under AASB 17;
- assumptions about expected future cash flows and risk allowances were adjusted for the market participant's view as required by AASB 13; and
- profit margins were included to reflect what a market participant would require for accepting obligations under insurance contracts, beyond the risk adjustment for non-financial risk.

The fair value of the group of older legacy non-advice based business has taken into account of the strategic review work performed by an external party in FY22-23 and involved an independent valuation of the business using an Embedded Value (EV) approach.

4.2 Significant judgements and estimates in applying AASB 17

4.2.1 Future cash flows

The fulfilment cash flows of insurance contracts represents the present value of estimated future cash outflows, less the present value of estimated future cash inflows and adjusted for a provision for the risk adjustment for non-financial risk. The Group's process for estimating future cash flows incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events. As this is a prediction of the future, significant judgement is applied in determining the assumptions that underpin the estimation of future cash flows. These assumptions include, but are not limited to operating assumptions such as morbidity, mortality, lapses and expenses.

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.

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 at 30 June 2023 to take into account recent observed experience.

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 at 30 June 2023 to reflect ClearView's recent observed experience.

Acquisition expenses: Per policy acquisition expense assumptions were based on the actual acquisition expenses incurred.

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 2023.

These assumptions used in the determination of future cash flows within the insurance contract liabilities are materially consistent with those applied to estimate the life insurance contract liabilities as disclosed in note 5.6 of the 30 June 2023 Annual Report.

4.2.2 Discount rates

A bottom-up approach is applied to determine the discount rates used to discount insurance and reinsurance contract cash flows, which uses risk-free rates adjusted to reflect the liquidity characteristics of the contracts. The risk-free rate is based on Commonwealth Government bond rates. The illiquidity premium is derived based on the long-term weighted average credit spread of a reference portfolio of assets with a similar currency mix and weighted average duration as the related insurance liabilities over the longer term. The effect of credit risk and other factors that are not relevant to the illiquidity characteristics of insurance contracts is eliminated to estimate the portion of the spread that reflects the illiquidity premium.

As at 31 December 2023, discount rates used to discount insurance and reinsurance cash flows 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. The discount rates are materially consistent with those applied as disclosed in note 5.6 of the 30 June 2023 Annual Report.

4.2.3 Risk adjustment

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Group's degree of risk aversion. The Group estimates an adjustment for non-financial risk separately from all other estimates.

The cost of capital method was used to derive the overall risk adjustment for non-financial risk. In the cost of capital method, the risk adjustment is determined by applying a cost rate to the present value of projected capital relating to non-financial risk. The cost rate is set at 7.0% per annum representing the return required to compensate for the exposure to non-financial risk. The capital is determined at a 99.5% confidence level and is projected in line with the run-off of the business.

The resulting amount of the calculated risk adjustment corresponds to the average confidence level of 88.6%. The confidence level varies across the different products, and LRC and LIC.

Determination of risk adjustment for groups of reinsurance contracts held is based on the risk adjustment of groups of underlying contracts and the reinsurance percentage applied for each group.

4.2.4 Coverage units

The CSM of a group of contracts is recognised as insurance revenue in each period based on the number of coverage units provided in the period, which is determined by considering for each contract the quantity of the services provided, its expected coverage period and time value of money.

For lump sum business, coverage units are the discounted value of the sum insured in-force on the contract, allowing for expected decrements (lapse and mortality/morbidity) and indexation. For disability income business, coverage units are the discounted benefit amount including expected decrements such as lapses, mortality and indexation but excluding terminations.

Expected coverage period is derived based on the likelihood of an insured event occurring to the extent they affect the expected duration of contracts in the group. Determining the expected coverage period is judgemental since it involves making an expectation of when claims and lapse will occur.

Determination of coverage units for groups of reinsurance contracts held follow the same principles as for groups of underlying contracts.

4.2.5 Transition to AASB 17

The Group applied IFRS 17 for annual reporting period beginning on 1 July 2023. The Group has determined that it was impracticable to apply the full retrospective approach for some groups of contracts because certain historical information was not available or was not available without undue cost or effort that would enable it to be used under this approach. Therefore, the Group applied the modified retrospective or fair value approaches for these groups of contracts. The Group exercises judgements in determining the transition approaches, applying the transition methods and measuring the transition impacts on the transition date, which will affect the amounts recognised in the consolidated financial statements on the transition date.

Refer to section 4.1.6 Transition approaches for detail.

Deferred tax assets

As a result of the transition to AASB 17, the Group's accounting net life insurance policy liability, for which the carrying amount will be settled in future periods has increased. This results in an increase in the deductible temporary differences and a related deferred tax asset of $35.9 million on transition and a further $3.5 million in FY23, given the movement in the net life insurance policy liability is deductible when settled in the future.

While the Australian Taxation Office (ATO) and Treasury has yet to provide any announcement or guidance in respect of the AASB 17 impacts on life insurance companies, there is no indication that AASB 17 will result in a change to the income tax laws.

As these temporary differences create income tax losses on transition, given that it is probably that the Group's future taxable profit will be available against which the tax losses can be utilised, the additional deferred tax asset of $39.4 million has been recognised on balance sheet as at 30 June 2023.

4.2.6 Sensitivity analysis

The valuation of liabilities for incurred claims and the liability for remaining coverage are calculated using certain assumptions of the key underlying variables such as discount rates, expenses, mortality, morbidity and lapses. The movement in any key variable may impact the reported performance and net assets of ClearView Life and the consolidated entity.

Variable	Impact of movement in underlying variable
Interest rate	The fulfilment cash flows within the liability for remaining coverage and the liability for incurred claims are calculated using a discount rate that is derived from market interest rates. 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. The CSM within the liability for remaining coverage is discounted using locked-in rates observed at the initial recognition of the insurance contract and, as such, changes in market interest rates will not impact the CSM.
Expense	An increase in the level (or inflation) of expenses over the assumed levels will decrease emerging profit. A change in the base expense assumptions adopted for the fulfilment cash flows within the liability for remaining coverage may impact the insurance contract liability/asset if it currently has a loss component, otherwise such a change will be absorbed into the contractual service margins of the insurance contract.
Mortality	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. A change in the mortality assumptions adopted for the fulfilment cash flows within the liability for remaining coverage may impact the insurance contract liability/asset if it currently has a loss component, otherwise such a change will be absorbed into the contractual service margins of the insurance contract.
Morbidity	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 adopted for the fulfilment cash flows within the liability for remaining coverage may impact the insurance contract liability/asset if it currently has a loss component, otherwise such a change will be absorbed into the contractual service margins of the insurance contract. For policyholders who are currently on claim the related reserves are included as part of the liability for incurred claims where there are no profit margins. Therefore, any change in claims costs due to a change in expectation around claims duration is reflected through a change in the liability for incurred claims and hence profit.
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.

4.3 Insurance revenue and expenses

4.3.1 Insurance revenue and insurance service result

	6 months ended 31 December 2023 $'000	6 months ended 31 December 2022 $'000
Insurance revenue		
Amounts relating to the changes in the LRC		
• CSM recognised in profit or loss for the services provided	25,594	23,660
• Change in the risk adjustment for non-financial risk expired	6,160	5,065
• Expected incurred claims and other expenses after loss component allocation	118,053	97,906
Premium variance for current or past services	(4,646)	(4,417)
Insurance acquisition cash flows recovery	18,790	18,849
Total insurance revenue	**163,951**	**141,063**
Insurance service expenses		
Incurred claims and other directly attributable expenses	(139,345)	(129,955)
Changes that relate to past service - adjustments to the LIC	9,891	16,234
Losses on onerous contracts and reversal of those losses	(6,231)	10,227
Insurance acquisition cash flows amortisation	(18,790)	(18,849)
Impairment of assets for insurance acquisition cash flows	(12,701)	(7,271)
Total insurance service expenses	**(167,176)**	**(129,614)**
Net income/(expenses) from reinsurance contracts held		
Amounts relating to the changes in the remaining coverage		
• CSM recognised in profit or loss for the services received	1,013	(1,071)
• Changes in the risk adjustment recognised for non-financial risk expired	(4,773)	(5,524)
• Expected claims and other expenses recovery	(54,858)	(42,065)
Premium variance for current and past services	(1,960)	(1,938)
Reinsurance expenses	**(60,578)**	**(50,598)**
Claims recovered and other incurred directly attributable expenses	69,934	65,195
Recoveries and reversals of recoveries of losses on onerous underlying insurance contracts	4,161	(7,945)
Changes that relate to past service - adjustments to assets for incurred claims	(7,770)	(13,442)
Total net expenses from reinsurance contracts held	**5,747**	**(6,790)**
Total insurance service result	**2,522**	**4,659**

4.3.2 Expected recognition of the contractual service margin

The following tables set out when the CSM is expected to be released into profit or loss in future periods.

	31 December 2023 $'000	31 December 2022 $'000
Insurance contracts issued		
Less than 1 year	21,182	18,898
1-2 years	8,043	9,542
2-3 years	618	3,192
3-4 years	581	3,025
4-5 years	538	2,870
More than 5 years	8,206	31,532
Total	**39,168**	**69,059**

	31 December 2023 $'000	31 December 2022 $'000
Reinsurance contracts held		
Less than 1 year	739	(741)
1-2 years	1,313	(1,378)
2-3 years	1,136	(1,265)
3-4 years	1,001	(1,161)
4-5 years	884	(1,062)
More than 5 years	5,979	(8,744)
Total	**11,052**	**(14,351)**

4.4 Net insurance finance expenses

	6 months ended 31 December 2023 $'000	6 months ended 31 December 2022 $'000
Insurance finance (expense)/income from insurance contracts issued		
Interest accreted	3,980	2,445
Effect of changes in interest rates and other financial assumptions	(9,810)	28,967
	(5,830)	**31,412**
Insurance finance income/(expense) from reinsurance contracts held		
Interest accreted	1,051	116
Effect of changes in interest rates and other financial assumptions	10,896	(21,936)
	11,947	**(21,820)**
Total insurance finance income/(expense)	**6,117**	**9,592**

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4.5 Insurance contract issued

4.5.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims

	LRC				
	Excluding loss component	Loss component	LIC	AIACF	Total
6 months ended 31 December 2023	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Opening insurance contract liabilities	(6,335)	(111,055)	(307,433)	94,591	(330,232)
Opening insurance contract assets	(20,686)	(841)	(70,208)	177,074	85,339
Total net opening balance	**(27,021)**	**(111,896)**	**(377,641)**	**271,665**	**(244,893)**
Insurance revenue					
Contracts under modified retrospective approach	25,425	—	—	—	25,425
Other contracts	138,526	—	—	—	138,526
Total insurance revenue	**163,951**	**—**	**—**	**—**	**163,951**
Insurance service expenses					
Incurred claims and other directly attributable expenses	—	6,209	(145,554)	—	(139,345)
Insurance acquisition cash flows amortisation	(18,790)	—	—	—	(18,790)
Losses on onerous contracts and reversal of those losses	—	(6,231)	—	—	(6,231)
Changes that relate to past service - adjustments to the LIC	—	—	9,891	—	9,891
Impairment of assets for insurance acquisition cash flows	—	—	—	(12,701)	(12,701)
Total insurance service expenses	**(18,790)**	**(22)**	**(135,663)**	**(12,701)**	**(167,176)**
Insurance service result	**145,161**	**(22)**	**(135,663)**	**(12,701)**	**(3,225)**
Insurance finance expenses					
Net finance income/(expenses)	(5,249)	(2,568)	(4,949)	6,936	(5,830)
Total insurance finance income/(expenses)	**(5,249)**	**(2,568)**	**(4,949)**	**6,936**	**(5,830)**
Total amounts recognised in comprehensive income	**139,912**	**(2,590)**	**(140,612)**	**(5,765)**	**(9,055)**
Cash flows					
Premiums received	(175,608)	—	—	—	(175,608)
Claims and other directly attributable expenses paid	—	—	102,481	—	102,481
Insurance acquisition cash flows	867	—	—	26,675	27,542
Total cash flows	**(174,741)**	**—**	**102,481**	**26,675**	**(45,585)**
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	15,834	—	—	(15,834)	—
Other movements[1]	—	—	1,734	—	1,734
Net closing balance made up as follows:	**(46,016)**	**(114,486)**	**(415,772)**	**276,741**	**(299,533)**
Closing insurance contract liabilities	(21,013)	(113,284)	(338,969)	37,819	(435,447)
Closing insurance contract assets	(25,003)	(1,202)	(75,069)	238,922	137,648
Total net closing balance	**(46,016)**	**(114,486)**	**(414,038)**	**276,741**	**(297,799)**

	LRC				
	Excluding loss component	Loss component	LIC	AIACF	Total
12 months ended 30 June 2023	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Opening insurance contract liabilities	13,759	(100,038)	(279,148)	45,515	(319,912)
Opening insurance contract assets	(11,949)	(7,794)	(79,448)	223,865	124,674
Total net opening balance	**1,810**	**(107,832)**	**(358,596)**	**269,380**	**(195,238)**
Insurance revenue					
Contracts under modified retrospective approach	49,157	–	–	–	49,157
Other contracts	241,658	–	–	–	241,658
Total insurance revenue	**290,815**	**–**	**–**	**–**	**290,815**
Insurance service expenses					
Incurred claims and other directly attributable expenses	–	27,182	(226,496)	–	(199,314)
Insurance acquisition cash flows amortisation	(37,932)	–	–	–	(37,932)
Losses on onerous contracts and reversal of those losses	–	(26,437)	–	–	(26,437)
Changes that relate to past service - adjustments to the LIC	–	–	(11,973)	–	(11,973)
Impairment of assets for insurance acquisition cash flows	–	–	–	(14,345)	(14,345)
Total insurance service expenses	**(37,932)**	**745**	**(238,469)**	**(14,345)**	**(290,001)**
Insurance service result	**252,883**	**745**	**(238,469)**	**(14,345)**	**814**
Insurance finance expenses					
Net finance income/(expenses)	8,743	(4,809)	8,409	6,192	18,535
Total insurance finance income/(expenses)	**8,743**	**(4,809)**	**8,409**	**6,192**	**18,535**
Total amounts recognised in comprehensive income	**261,626**	**(4,064)**	**(230,060)**	**(8,153)**	**19,349**
Cash flows					
Premiums received	(324,801)	–	–	–	(324,801)
Claims and other directly attributable expenses paid	–	–	207,946	–	207,946
Insurance acquisition cash flows	3,180	–	–	41,602	44,782
Total cash flows	**(321,621)**	**–**	**207,946**	**41,602**	**(72,073)**
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	31,164	–	–	(31,164)	–
Other movements[1]	–	–	3,069	–	3,069
Net closing balance made up as follows:	**(27,021)**	**(111,896)**	**(380,710)**	**271,665**	**(247,962)**
Closing insurance contract liabilities	(6,335)	(111,055)	(307,433)	94,591	(330,232)
Closing insurance contract assets	(20,686)	(841)	(70,208)	177,074	85,339
Total net closing balance	**(27,021)**	**(111,896)**	**(377,641)**	**271,665**	**(244,893)**

1 Other movements relate to non-cash items such as amortisation of intangible assets.

4.5.2 Reconciliation of the measurement components of insurance contract balances

6 months ended 31 December 2023	Present value of future cash flows $'000	Risk adjustment $'000	CSM $'000	AIACF $'000	Total $'000
Net opening balance					
Opening insurance contract liabilities	(338,326)	(74,658)	(11,839)	94,591	(330,232)
Opening insurance contract assets	(66,331)	(5,587)	(19,817)	177,074	85,339
Total net opening balance	**(404,657)**	**(80,245)**	**(31,656)**	**271,665**	**(244,893)**
Changes related to current services					
CSM recognised for services provided	—	—	25,594	—	25,594
Change in risk adjustment for non-financial risks expired	—	6,531	—	—	6,531
Experience adjustments	(23,971)	(2,338)	—	—	(26,309)
Changes related to future services					
Contracts recognised in the period	34,066	(5,654)	(30,888)	—	(2,476)
Changes in estimates that adjust the CSM	1,199	(103)	(1,096)	—	—
Changes in estimates that result in onerous contract losses or reversal of losses	(3,520)	(235)	—	—	(3,755)
Changes related to past services					
Adjustment to liabilities for incurred claims	9,301	590	—	—	9,891
Impairment of assets for insurance acquisition cash flows	—	—	—	(12,701)	(12,701)
Net finance expenses					
Net finance expenses	(9,146)	(2,498)	(1,122)	6,936	(5,830)
Total amounts recognised in comprehensive income	**7,929**	**(3,707)**	**(7,512)**	**(5,765)**	**(9,055)**
Cash flows					
Premiums received	(175,608)	—	—	—	(175,608)
Claims and other directly attributable expenses paid	102,481	—	—	—	102,481
Insurance acquisition cash flows	867	—	—	26,675	27,542
Total cash flows	**(72,260)**	**—**	**—**	**26,675**	**(45,585)**
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	15,834	—	—	(15,834)	—
Other movements[2]	1,734	—	—	—	1,734
Net closing balance					
Closing insurance contract liabilities	(382,114)	(77,450)	(13,702)	37,819	(435,447)
Closing insurance contract assets	(69,306)	(6,502)	(25,466)	238,922	137,648
Total net closing balance	**(451,420)**	**(83,952)**	**(39,168)**	**276,741**	**(297,799)**

12 months ended 30 June 2023	Present value of future cash flows $'000	Risk adjustment $'000	CSM $'000	AIACF $'000	Total $'000
Net opening balance					
Opening insurance contract liabilities	(251,449)	(67,678)	(46,300)	45,515	(319,912)
Opening insurance contract assets	(77,322)	(5,400)	(16,469)	223,865	124,674
Total net opening balance	**(328,771)**	**(73,078)**	**(62,769)**	**269,380**	**(195,238)**
Changes related to current services					
CSM recognised for services provided	—	—	42,753	—	42,753
Change in risk adjustment for non-financial risks expired	—	13,193	—	—	13,193
Experience adjustments	(2,377)	—	—	—	(2,377)
Changes related to future services					
Contracts recognised in the period	53,542	(10,950)	(48,522)	—	(5,930)
Changes in estimates that adjust the CSM[1]	(34,168)	(5,185)	39,353	—	—
Changes in estimates that result in onerous contract losses or reversal of losses	(16,375)	(4,132)	—	—	(20,507)
Changes related to past services					
Adjustment to liabilities for incurred claims	(10,788)	(1,185)	—	—	(11,973)
Impairment of assets for insurance acquisition cash flows	—	—	—	(14,345)	(14,345)
Net finance expenses					
Net finance expenses	13,722	1,092	(2,471)	6,192	18,535
Total amounts recognised in comprehensive income	**3,556**	**(7,167)**	**31,113**	**(8,153)**	**19,349**
Cash flows					
Premiums received	(324,801)	—	—	—	(324,801)
Claims and other directly attributable expenses paid	207,946	—	—	—	207,946
Insurance acquisition cash flows	3,180	—	—	41,602	44,782
Total cash flows	**(113,675)**	**—**	**—**	**41,602**	**(72,073)**
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	31,164	—	—	(31,164)	—
Other movements[2]	3,069	—	—	—	3,069
Net closing balance					
Closing insurance contract liabilities	(338,326)	(74,658)	(11,839)	94,591	(330,232)
Closing insurance contract assets	(66,331)	(5,587)	(19,817)	177,074	85,339
Total net closing balance	**(404,657)**	**(80,245)**	**(31,656)**	**271,665**	**(244,893)**

1 The changes in estimates that adjust the CSM mainly resulted from actuarial assumptions changes made at 30 June 2023. Refer to Note 5.6 of the 30 June 2023 Annual Report for detail.

2 Other movements relate to non-cash items such as amortisation of intangible assets.

4.5.3 Impact of contracts recognised in the period

6 months ended 31 December 2023	Non-onerous contracts originated $'000	Onerous contracts originated $'000	Total $'000
Insurance contracts issued			
Claims and other directly attributable expenses	67,109	35,427	102,536
Insurance acquisition cash flows	15,768	933	16,701
Estimates of present value of future cash outflows	**82,877**	**36,360**	**119,237**
Estimates of present value of future cash inflows	(117,284)	(36,019)	(153,303)
Risk adjustment for non-financial risk	3,519	2,135	5,654
CSM	30,888	—	30,888
Increase in insurance contract liabilities from contracts recognised in the period	**—**	**2,476**	**2,476**

12 months ended 30 June 2023	Non-onerous contracts originated $'000	Onerous contracts originated $'000	Total $'000
Insurance contracts issued			
Claims and other directly attributable expenses	118,688	68,835	187,523
Insurance acquisition cash flows	31,917	2,427	34,344
Estimates of present value of future cash outflows	**150,605**	**71,262**	**221,867**
Estimates of present value of future cash inflows	(205,559)	(69,850)	(275,409)
Risk adjustment for non-financial risk	6,432	4,518	10,950
CSM	48,522	—	48,522
Increase in insurance contract liabilities from contracts recognised in the period	**—**	**5,930**	**5,930**

4.6 Reinsurance contracts held

4.6.1 Reconciliation of the remaining coverage and incurred claims

6 months ended 31 December 2023	Asset for remaining coverage: Excluding loss-recovery component $'000	Asset for remaining coverage: Loss-recovery component $'000	Asset for incurred claims[1] $'000	Total $'000
Net opening balance				
Opening reinsurance contract assets	(60,730)	83,527	115,723	138,520
Opening reinsurance contract liabilities	(11,080)	358	2,825	(7,897)
Total net opening balance	**(71,810)**	**83,885**	**118,548**	**130,623**
Net income/(expenses) from reinsurance contracts held				
Reinsurance expenses	(60,578)	–	–	(60,578)
Claims recovered and other incurred directly attributable expenses	–	(4,619)	74,553	69,934
Recoveries and reversals of recoveries of losses on onerous underlying insurance contracts	–	4,161	–	4,161
Changes that relate to past service - adjustments to assets for the incurred claims	–	–	(7,770)	(7,770)
Total net income/(expenses) from reinsurance contracts held	**(60,578)**	**(458)**	**66,783**	**5,747**
Finance income from reinsurance contracts held	6,155	1,924	3,868	11,947
Total amounts recognised in comprehensive income	**(54,423)**	**1,466**	**70,651**	**17,694**
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses paid	66,765	–	–	66,765
Recoveries from reinsurance	–	–	(41,841)	(41,841)
Total cash flows	**66,765**	**–**	**(41,841)**	**24,924**
Net closing balance				
Closing reinsurance contract assets	(44,024)	85,161	143,341	184,478
Closing reinsurance contract liabilities	(15,444)	190	4,017	(11,237)
Total net closing balance	**(59,468)**	**85,351**	**147,358**	**173,241**

12 months ended 30 June 2023	Asset for remaining coverage: Excluding loss-recovery component	Asset for remaining coverage: Loss-recovery component	Asset for incurred claims[1]	Total
	$'000	$'000	$'000	$'000
Net opening balance				
Opening reinsurance contract assets	(50,484)	75,601	84,063	109,180
Opening reinsurance contract liabilities	(40,304)	5,647	16,579	(18,078)
Total net opening balance	**(90,788)**	**81,248**	**100,642**	**91,102**
Net income/(expenses) from reinsurance contracts held				
Reinsurance expenses	(102,197)	–	–	(102,197)
Claims recovered and other incurred directly attributable expenses	–	(20,793)	106,258	85,465
Recoveries and reversals of recoveries of losses on onerous underlying insurance contracts	–	19,820	–	19,820
Changes that relate to past service - adjustments to assets for the incurred claims	–	–	4,932	4,932
Total net income/(expenses) from reinsurance contracts held	**(102,197)**	**(973)**	**111,190**	**8,020**
Finance income from reinsurance contracts held	(6,196)	3,610	(6,108)	(8,694)
Total amounts recognised in comprehensive income	**(108,393)**	**2,637**	**105,082**	**(674)**
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses paid	127,371	–	–	127,371
Recoveries from reinsurance	–	–	(87,176)	(87,176)
Total cash flows	**127,371**	**–**	**(87,176)**	**40,195**
Net closing balance				
Closing reinsurance contract assets	(60,730)	83,527	115,723	138,520
Closing reinsurance contract liabilities	(11,080)	358	2,825	(7,897)
Total net closing balance	**(71,810)**	**83,885**	**118,548**	**130,623**

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. As at 31 December 2023, ClearView received $179.0 million of the reinsurer's share of incurred claims liability (30 June 2023: $176.7 million).

4.6.2 Reconciliation of the measurement components of reinsurance contract balances

6 months ended 31 December 2023	Present value of future cash flows $'000	Risk adjustment for non-financial risk $'000	CSM $'000	Total $'000
Net opening balance				
Opening reinsurance contract assets	47,013	105,178	(13,671)	138,520
Opening reinsurance contract liabilities	(16,316)	9,727	(1,308)	(7,897)
Total net opening balance	**30,697**	**114,905**	**(14,979)**	**130,623**
Changes that relate to current service				
CSM recognised in profit and loss for services received	—	—	1,013	1,013
Change in risk adjustment for non-financial risk expired	—	(4,772)	—	(4,772)
Experience adjustments	10,938	2,177	—	13,115
	10,938	**(2,595)**	**1,013**	**9,356**
Changes that relate to future service				
Contracts initially recognised in the period	(7,951)	5,701	2,250	—
Changes in estimates that adjust the CSM	(668)	1,281	(613)	—
Changes in estimates that do not adjust the CSM for the group of underlying insurance contracts	2,577	175	—	2,752
Changes in recoveries of losses on onerous underlying insurance contracts that adjust CSM	—	—	1,409	1,409
	(6,042)	**7,157**	**3,046**	**4,161**
Changes that relate to past service				
Adjustments to the liability for incurred claims	(6,933)	(837)	—	(7,770)
	(6,933)	**(837)**	**—**	**(7,770)**
Total net income/(expenses) from reinsurance contracts held	**(2,037)**	**3,725**	**4,059**	**5,747**
Finance income/(expenses) from reinsurance contracts held	7,633	4,446	(132)	11,947
Total amounts recognised in comprehensive income	**5,596**	**8,171**	**3,927**	**17,694**
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses paid	66,765	—	—	66,765
Recoveries from reinsurance	(41,841)	—	—	(41,841)
Total cash flows	**24,924**	**—**	**—**	**24,924**
Net closing balance				
Closing reinsurance contract assets	91,782	109,085	(16,389)	184,478
Closing reinsurance contract liabilities	(30,565)	13,991	5,337	(11,237)
Total net closing balance	**61,217**	**123,076**	**(11,052)**	**173,241**

12 months ended 30 June 2023	Present value of future cash flows $'000	Risk adjustment for non-financial risk $'000	CSM $'000	Total $'000
Net opening balance				
Opening reinsurance contract assets	60,673	62,387	(13,880)	109,180
Opening reinsurance contract liabilities	(99,655)	50,904	30,673	(18,078)
Total net opening balance	**(38,982)**	**113,291**	**16,793**	**91,102**
Changes that relate to current service				
CSM recognised in profit and loss for services received	—	—	2,092	2,092
Change in risk adjustment for non-financial risk expired	—	(9,686)	—	(9,686)
Experience adjustments	(9,138)	—	—	(9,138)
	(9,138)	**(9,686)**	**2,092**	**(16,732)**
Changes that relate to future service				
Contracts initially recognised in the period	(2,498)	8,624	(6,126)	—
Changes in estimates that adjust the CSM	23,401	(716)	(22,685)	—
Changes in estimates that do not adjust the CSM for the group of underlying insurance contracts	20,005	5,442	—	25,447
Changes in recoveries of losses on onerous underlying insurance contracts that adjust CSM	—	—	(5,627)	(5,627)
	40,908	**13,350**	**(34,438)**	**19,820**
Changes that relate to past service				
Adjustments to the liability for incurred claims	4,040	892	—	4,932
	4,040	**892**	**—**	**4,932**
Total net income/(expenses) from reinsurance contracts held	**35,810**	**4,556**	**(32,346)**	**8,020**
Finance income/(expenses) from reinsurance contracts held	(6,326)	(2,942)	574	(8,694)
Total amounts recognised in comprehensive income	**29,484**	**1,614**	**(31,772)**	**(674)**
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses paid	127,371	—	—	127,371
Recoveries from reinsurance	(87,176)	—	—	(87,176)
Total cash flows	**40,195**	**—**	**—**	**40,195**
Net closing balance				
Closing reinsurance contract assets	47,013	105,178	(13,671)	138,520
Closing reinsurance contract liabilities	(16,316)	9,727	(1,308)	(7,897)
Total net closing balance	**30,697**	**114,905**	**(14,979)**	**130,623**

4.6.3 Impact of contracts recognised in the period

6 months ended 31 December 2023	Contracts originated not in a net gain $'000	Contracts originated in a net gain $'000	Total $'000
Reinsurance contracts held			
Estimates of present value of future cash outflows	(74,629)	–	(74,629)
Estimates of present value of future cash inflows	82,580	–	82,580
Risk adjustment for non-financial risk	(5,701)	–	(5,701)
CSM	2,250	–	2,250

12 months ended 30 June 2023	Contracts originated not in a net gain $'000	Contracts originated in a net gain $'000	Total $'000
Reinsurance contracts held			
Estimates of present value of future cash outflows	(103,320)	–	(103,320)
Estimates of present value of future cash inflows	105,818	–	105,818
Risk adjustment for non-financial risk	(8,624)	–	(8,624)
CSM	(6,126)	–	(6,126)

5. Discontinued operation

The Board initiated a strategic review in the Wealth Management segment in the prior financial year 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 continues to be committed to the exit of the Wealth Management business with significant progress made in the half year period.

Sale of investment management business

ClearView entered into a share sale agreement (on 22 February 2023) for the sale of ClearView Financial Management Limited (**CFML**) to Human Financial Pty Limited (**Human Financial**), subject to the completion of certain conditions precedent. The original sale agreement proceeds included a cash component of $1.3 million and a 40% equity stake in Human Financial.

In November 2023 and January 2024, ClearView signed revised sale agreements with Human Financial. Under the terms of the revised sale agreements, the proceeds have a cash component of $5 million, with no allowance for an equity interest in Human Financial. Prior to completion of the sale, in January 2024, ClearView received a pre-completion dividend of $0.75 million that does not result in CFML's net tangible assets being less than $5 million. Completion of the sale occurred on 31 January 2024, with a deferred consideration to be received by 29 February 2024.

Exit of superannuation business

The superannuation fund trustee, ClearView Life Nominees Pty Limited (CLN) has, at the same time, been considering a number of options and the best way forward for the superannuation fund, ClearView Retirement Plan (CRP). CLN entered into a deed of retirement and appointment (DORA) with Equity Trustees Superannuation Limited (ETSL) that effectively changed the trustee of the CRP to ETSL with effect from 14 December 2023. ETSL is as at the date of this report undertaking a process to determine the most appropriate pathway for the CRP. The outcome of these considerations informs the roadmap and timing for the exit of the superannuation business and the related unwind of the life investment contracts attached to the CRP. Subsequent to its retirement as the trustee for the CRP, CLN is no longer an operating entity and subsequent to the half year period has released the capital previously held in the trustee for operational risk (**Operating Risk Financial Requirement - ORFR**). Aligned to the transition of trustee, ClearView Wealth Limited (CWL) has entered into arrangements with Equity Trustees Limited (**EQT**) to provide funding reflective of the ORFR to EQT for an amount of $3.5 million, until the successor fund transfer (**SFT**) of the CRP is completed. This is expected to be repaid on completion of the SFT in due course (subject to there being no operational risk event under the terms of the agreement).

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 of full exit of the Wealth Management business remains uncertain but is expected to be before the end of 1H FY25.

In accordance with AASB 5 Non-Current Assets Held for Sale and Discontinued Operations, the Wealth Management segment continues to meet the criteria to be classified as held for sale in the consolidated financial statements for the period ended 31 December 2023.

The Wealth Management business was not classified as held-for-sale or as discontinued operations for the half year ended 31 December 2022. 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	
	6 months to 31 December 2023	6 months to 31 December 2022
	$'000	$'000
a) Results of discontinued operation		
Revenue	93,511	73,067
Expenses	(107,626)	(73,958)
Loss before income tax	**(14,115)**	**(891)**
Income tax expense	(1,937)	(62)
Loss for the period from discontinued operation	**(16,052)**	**(953)**
Earnings per share from discontinued operation		
Basic (cent per share)	(2.50)	(0.15)
Diluted (cent per share)	(2.50)	(0.15)
b) Cash flows from discontinued operation		
Net cash generated/(utilised) by operating activities	(8,661)	40,604
Net cash generated/(utilised) by investing activities	99,233	42,403
Net cash generated/(utilised) by financing activities	(90,753)	(90,733)
Net cash flows for the period from discontinued operation	**(181)**	**(7,726)**

		Consolidated	
		31 December 2023	30 June 2023
	Note	$'000	$'000
c) Assets and liabilities classified as held for sale			
Assets			
Cash and cash equivalent		46,282	44,331
Investments	9	1,822,060	1,868,598
Receivables		3,273	2,297
Current tax assets		3	—
Deferred tax assets		285	285
Goodwill	8	—	8,500
Intangible assets		—	2,882
Assets held for sale		**1,871,903**	**1,926,893**
Liabilities			
Payables		20,561	6,285
Provisions		1,720	—
Deferred tax liabilities		3,664	—
Life investment policy liabilities		1,357,558	1,345,138
Liability to non-controlling interest in controlled unit trusts		483,936	557,485
Liabilities directly associated with assets held for sale		**1,867,439**	**1,908,908**
Net assets directly associated with disposal group		**4,464**	**17,985**

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. An impairment loss of $13.1 million has been recognised for the assets held for sale as at 31 December 2023 (30 June 2023: nil) and included in the discontinued operation results. This includes $8.5 million impairment of the goodwill allocated to the Wealth Business segment, $2.9 million impairment of the front-end wealth portal capitalised software asset and $1.7 million costs of sale of CFML to Human Financial.

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.

6. Results for the period

6.1 Dividends

	Consolidated			
	31 December 2023		31 December 2022	
	Cents per share	$'000	Cents per share	$'000
Final dividend	3.00	19,786	2.00	13,220
Total		19,786		13,220

An interim fully franked dividend of 1.5 cents per share has been declared for the half year period ended 31 December 2023. This represents 57% payout ratio towards to the top end of the range of 40% - 60% of Underlying NPAT.

A final fully franked cash dividend for FY23 of $19.8 million (FY22: $13.2 million) was declared and paid. This represents an increase of 50% on the prior year and just over the mid point of the range of 40% - 60% of Underlying NPAT.

6.2 Earnings per share

	Consolidated 31 December 2023	Consolidated 31 December 2022 Restated
Earnings per share - continuing operations (cents)		
Basic earnings (cents)	1.68	1.47
Diluted earnings (cents)	1.68	1.47
Earnings per share - continuing operations (excluding share of net profit and gain on disposal of investment in associate) (cents)		
Basic earnings (cents)	1.24	1.21
Diluted earnings (cents)	1.24	1.21
Earnings per share (cents)		
Basic earnings (cents)	(0.82)	1.32
Diluted earnings (cents)	(0.82)	1.32

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:

	31 December 2023	31 December 2022 Restated
Profit for the year from continuing operations attributable to owners of the Company ($'000)	10,781	9,411
Earnings used in the calculation of basic earnings per share - continuing operations ($'000)	**10,781**	**9,411**
Profit for the year from continuing operations attributable to owners of the Company (excluding share of net profit and gain on disposal of investment in associate) ($'000)	7,948	7,732
Earnings used in the calculation of basic earnings per share - continuing operations (excluding share of net profit and gain on disposal of investment in associate) ($'000)	**7,948**	**7,732**
Profit for the year attributable to owners of the Company ($'000)	(5,271)	8,458
Earnings used in the calculation of basic earnings per share ($'000)	**(5,271)**	**8,458**
Weighted average number of ordinary shares for the purpose of basic earnings per share ('000's)	**640,652**	**640,122**

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:

	31 December 2023	31 December 2022 Restated
Profit for the year from continuing operations attributable to owners of the Company ($'000)	10,781	9,411
Earnings used in the calculation of total diluted earnings per share - continuing operations ($'000)	**10,781**	**9,411**
Profit for the year from continuing operations attributable to owners of the Company (excluding share of net profit and gain on disposal of investment in associate) ($'000)	7,948	7,732
Earnings used in the calculation of total diluted earnings per share - continuing operations (excluding share of net profit and gain on disposal of investment in associate) ($'000)	**7,948**	**7,732**
Profit for the year attributable to owners of the Company ($'000)	(5,271)	8,458
Earnings used in the calculation of total diluted earnings per share ($'000)	**(5,271)**	**8,458**

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:

	31 December 2023	31 December 2022 Restated
Weighted average number of ordinary shares used in the calculation of basic earnings per share (000's)	640,652	640,122
Shares deemed to be dilutive in respect of the employee rights plan (000's)	284	168
Weighted average number of ordinary shares used in the calculation of diluted earnings per share (all measures) (000's)	**640,936**	**640,290**

7. Issuances and repurchase of equity

		6 months to 31 December 2023		12 months to 30 June 2023
	No of shares	$'000	No of shares	$'000
Fully paid ordinary shares				
Balance at the beginning of the period	642,905,216	466,843	642,905,216	466,655
Shares issued during the year (ESP exercised)	2,000,000	–	–	–
Dividend paid	–	45	–	–
Transfer from share based payment reserve and cancellation of forfeited ESP shares[1]	–	2,932	–	188
Balance at the end of the period	**644,905,216**	**469,820**	**642,905,216**	**466,843**
Executive share plan				
Balance at the beginning of the period	16,633,432	–	18,133,432	–
Shares forfeited during the period[2]	(8,523,505)	–	(1,500,000)	–
Shares exercised during the period	(2,000,000)	–	–	–
Balance at the end of the period	**6,109,927**	**–**	**16,633,432**	**–**

1 ESP reserve of the forfeited and cancelled shares were transferred to share capital.

2 At 31 December 2023, 8.5 million forfeited ESP shares were in the process of being bought back and cancelled. (30 June 2023: 1.5 million forfeited ESP shares were in the process of being bought back and cancelled. The buy-back and cancellation were completed in 1H FY24.)

The above ESP balance reconciles to the outstanding shares granted under the ESP at the beginning and the end of each relevant period. During the half year period, 2 million ESP shares were exercised and the non-recourse loans of $1.0 million were repaid. Upon repayment of the loans, the holding lock is removed from the ordinary shares issued. 8.5 million shares that were not exercised have been forfeited.

In accordance with AASB 2 Share Based Payments, the shares issued under the employee share plan are treated as options and are accounted for as set out in Note 7.2 of the 30 June 2023 Annual Report.

Shares granted under the ESP carry rights to dividends and voting rights. For detail of the ESP refer to the 30 June 2023 Annual Report.

During the half year period, 1.0 million restricted rights related to 2023 STVR and 2.8 million performance rights related to 2024 LTVR were approved to be granted to ClearView's Key Management Personnel (**KMP**). Refer to Note 15 for further detail.

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 2,603,327 (30 June 2023: 2,783,327) with a value of $2,250,964 (30 June 2023: $2,406,598).

8. Goodwill and intangibles

				Consolidated
	Goodwill	Capitalised software	Client book	Total intangibles
6 months to 31 December 2023	**$'000**	**$'000**	**$'000**	**$'000**
Gross carrying amount				
Balance at the beginning of the period	11,952	60,108	65,017	125,125
Acquired directly during the period	—	4,397	—	4,397
Balance at the end of the period	**11,952**	**64,505**	**65,017**	**129,522**
Accumulated amortisation and impairment losses				
Balance at the beginning of the period	7,941	36,031	64,987	101,018
Amortisation expense in the period	—	1,734	—	1,734
Balance at the end of the period	**7,941**	**37,765**	**64,987**	**102,752**
Net book value				
Balance at the beginning of the period	4,011	24,077	30	24,107
Balance at the end of the period	**4,011**	**26,740**	**30**	**26,770**

	Goodwill	Capitalised software	Client book	Total intangibles
12 months to 30 June 2023	**$'000**	**$'000**	**$'000**	**$'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	—	12,690	—	12,690
Reclassification to assets held for sale (see Note 5)	(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 (see Note 5)	—	(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**

Capitalisation of configuration and customisation costs in SaaS arrangements

During the half-year, the Group recognised $4.0 million (HY23: $5.8 million) as intangible assets in respect of customisation and configuration costs incurred in implementing SaaS arrangements, in which, $3.4 million (HY23: $3.9 million) relates to the new PAS. These intangible assets are amortised on a straight-line basis with the PAS being amortised over the useful life of 10 years. As at 31 December 2023, the accumulated amortisation of $3.5 million (30 June 2023: $2.0 million) has been recognised for the intangible assets in use.

Impairment testing

Goodwill and client book intangibles

The goodwill and client book 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;
- 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 the goodwill of $4.0 million was allocated to the Life Insurance segment.

As a result of the Wealth Management divestment, the goodwill of $8.5 million recognised within the Wealth Management CGU's was impaired in the half year period to 31 December 2023 and the impairment written off is part of the disposal group. See Note 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 31 December 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;
- Persistency (lapse);
- Board approved premium rate changes;
- Outflows;
- Maintenance costs; and
- Discount rates.

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

As at 31 December 2023, no impairment was required to the carrying value of goodwill within the Life Insurance CGU's.

Capitalised software

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 a result of the Wealth Management divestment, the front end wealth portal of $2.9 million recognised within the Wealth Management CGU's was impaired in the half year period to 31 December 2023 and the impairment written off is part of the disposal group. See Note 5 for detail.

As at 31 December 2023, no impairment was required to the carrying value of capitalised software attributable to continuing operations.

9. Investments

	Consolidated	
	31 December 2023	30 June 2023
	$'000	$'000
Growth investments		
Equity investments	1,661,359	1,708,780
	1,661,359	**1,708,780**
Interest bearing investments		
Short-term money	938	5,403
Government and semi-government bonds	170,213	165,322
Corporate bonds	124,272	117,828
Floating rate notes	80,510	81,884
	375,933	**370,437**
Non-interest bearing investments		
Short-term discount securities	196,484	184,266
	196,484	**184,266**
Included in assets held for sale (see Note 5)	(1,822,060)	(1,868,598)
Total investments	**411,716**	**394,885**

Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities. This category includes short-term money, short-term discount securities, government and semi-government bonds and equity investments.
- 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). This category primarily includes corporate bonds and floating rate notes. 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 did not have any investments falling into this category as at 31 December 2023 and 30 June 2023.

Consolidated	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
31 December 2023				
Growth investments	1,661,359	–	–	1,661,359
Interest bearing investments	171,151	204,782	–	375,933
Non-interest bearing investments	196,484	–	–	196,484
Included in assets held for sale (see Note 5)	(1,740,738)	(81,322)	–	(1,822,060)
Total	**288,256**	**123,460**	**–**	**411,716**
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
Included in assets held for sale (see Note 5)	(1,793,382)	(75,216)	–	(1,868,598)
Total	**270,389**	**124,496**	**–**	**394,885**
Financial liabilities				
31 December 2023				
Life investment policy liability	–	1,357,360	–	1,357,360
Liability to non-controlling interest in controlled unit trusts	–	483,936	–	483,936
Included in liabilities directly associated with assets held for sale (see Note 5)	–	(1,841,494)	–	(1,841,494)
Total	**–**	**(198)**	**–**	**(198)**
30 June 2023				
Life investment contract liability	–	1,345,463	–	1,345,463
Liability to non-controlling interest in controlled unit trusts	–	557,485	–	557,485
Included in liabilities directly associated with assets held for sale (see Note 5)	–	(1,902,623)	–	(1,902,623)
Total	**–**	**325**	**–**	**325**

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

10. Investment in associate

ClearView acquired a strategic 24.5% stake (48 million shares) in Centrepoint Alliance Limited (Centrepoint Alliance) on 1 November 2021 as part of the sale of its financial advice businesses to Centrepoint Alliance.

On 17 November 2023, ClearView announced the sale of approximately 39.56 million shares in Centrepoint Alliance to COG Financial Services Limited (COG), at a share price of 33 cents per share representing total consideration of $13.05 million. The sale shares represent approximately 19.9% of Centrepoint Alliance's issued capital.

The remaining 8.4 million shares were subsequently sold on the market from 17 November 2023, at an average exit price of circa 27 cents per share, representing total consideration of $ 2.2 million (net of costs of sales).

Before the sales, the carrying value of the investment in associate was $13.1 million (net of impairment of $1.6 million). The sale resulted in $2.2 million gain from sale.

ClearView has fully divested the investment in associate and hold no Centrepoint Alliance's shares as at 31 December 2023.

11. Borrowings

As at the reporting date, the Company had a $60 million facility agreement with the National Australia Bank. $31 million has been drawn down with the balance available for immediate use (30 June 2023: $16 million). $15 million was drawn down in the half year period to fund the FY23 final cash dividend. The facility is repayable on 1 August 2026. Interest on the loan accrues at BBSY plus a margin of 0.95% per annum, and is payable quarterly (30 June 2023: 0.95%). Furthermore, a line fee of 0.75% per annum (30 June 2023: 0.75%) 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 and the Group's interest cover ratio (excluding policyholder net profit and ignoring any effects from the adoption of AASB 16 to interest expenses) for the preceding 12 months period must be at least 3 times. Interest expense excludes any costs associated with the incurred claims treaties. As a result of the implementation of AASB 17 since 1 July 2023, the interest cover covenant has been updated for the six month period ended 31 December 2023, including:

- There is a one off waiver for the interest cover ratio, relating to the six month period to 31 December 2023.
- The waiver is conditional upon the amended interest cover ratio test for the six month period to 31 December 2023 being at least 3 times, where the amended interest cover ratio means the ratio of consolidated reported profit from continuing operations plus changes in AIACF impairments plus income tax expenses plus interest on the subordinated and bank debts to interest on the subordinated and bank debts.

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 31 December 2023, ClearView has been operating within its covenants under the terms of the facility agreement. The Group has not identified any breaches at 31 December 2023 nor at the time at which these financial statements were authorised for issue.

12. 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 half year ended was $3.9 million (HY23: $3.1 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 totaled $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.

For the half year ended 31 December 2023, total subordinated debt is as follows:

	Consolidated	
	31 December 2023	30 June 2023
	$'000	$'000
Opening balance	74,200	73,857
Amortisation of capitalised costs	171	343
Closing balance	**74,371**	**74,200**

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.

13. 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 until such date. On 14 December 2023, the trusteeship of the CRP changed from CLN to a third party, ETSL. As part of the sale of CFML to Human Financial, CFML ceased to be a subsidiary on 31 January 2024.

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.

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). The letter of credit is applied across both lump sum and income protection incurred claims treaties with Swiss Re to support CLAL's Asset Concentration Risk Charge under APRA's regulations.

Off balance sheet items – ESP loans

In accordance with the provisions of the ESP, as at 31 December 2023, key management and members of the senior management team have acquired 6,109,927 (30 June 2023: 16,633,432) ordinary shares.

Shares granted under the ESP carry rights to dividends and voting rights. Financial assistance amounting to $4,933,670 (30 June 2023: $11,765,742) was made available to these participants to fund the acquisition of shares under the ESP, of which $2,176,636 (30 June 2023: $9,040,738) is held as an off balance sheet receivable. Given the non-recourse nature of the loans and the current CVW share price, some of the off balance sheet loans may not be recoverable as at 31 December 2023.

Operational event loans to EQT

Aligned to the transition of trustee of the CRP from CLN to ETSL, CWL has entered into arrangements with EQT to provide funding reflective of the ORFR to EQT for an amount of $3.5 million, until the successor fund transfer of the CRP is completed. Under the terms of the agreement, if an operational risk events occur, CWL will be required to provide an operational event loan up to $1.5 million to EQT and CWL will release and forgive obligations of EQT to repay this loan.

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 half year end.

14. Related parties

Related party tax assets

As at 31 December 2023 the ClearView Group carried a non-current receivable of $0.2 million (30 June 2023: $0.4 million) from its related superfund ClearView Retirement Plan (**CRP**). No provision (30 June 2023: $0.4 million) was provided for the receivable.

Related party transactions with associates

During the half year, ClearView has continued to transact with Centrepoint Alliance's financial advice businesses. Until the date of sale of investment in associate, the aggregate amounts included in the determination of profit before tax that resulted from key transactions with Centrepoint Alliance are:

- Risk commission paid $3.0 million (HY23: $3.1 million); and
- Fees paid for adviser services $1.9 million (HY23: $2.4 million).

Other transactions between the Group and associate entities consisted of 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 half year was $3.9 million (HY23: $3.1 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 expense recognised for the half year was $1.5 million (HY23: $1.3 million). The internal notes and associated interest is eliminated in the Group's consolidated financial statements.

Other related party transactions

A Deed of Retirement and Appointment was entered into by CLN as the retiring trustee, CLAL as the appointer and ETSL as the new trustee of the CRP. Related to the change of trusteeship, related party administration agreements were novated from CLN to ETSL, and memoranda of transfers were effected for the relevant underlying life investment policies.

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

A director held 100 subordinated notes during the period and the notes were 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 half 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.

15. Key management personnel

Remuneration arrangements of key management personnel are disclosed in the 2023 Annual Financial Report. During the half year, the Board has resolved that:

- Restricted rights were approved to be granted in respect of the FY23 deferred STVR component at the value of $0.48 per restricted right.
- Performance rights were approved to be granted in respect of the FY24 LTVR as compensation to executives, with the following key criteria:

Criteria	Detail
Measurement period	1 July 2023 to 30 June 2027 (4 years)
Performance metric	• 50% of the award to be measured against Total Shareholder Return (TSR) reflected as the Company's target share price of $0.84 at the end of the measurement period; • 50% of the award to be measured against an Embedded Value (excluding franking credits) (EV) target of $680 million at the end of the measurement period.
Vesting scale	Performance rights will vest on a pro-rata basis where: • The Company's share price is between $0.78 and $0.84; • EV is between $620 million and $680 million. The respective tranches of Performance rights will not vest where the Company's share price is below target of $0.78; and EV is below target of $620 million.

Apart from the above, there are no key changes to the terms of the STVR and LTVR plans as set out in the 2023 Annual Report. Further details will be included in the Remuneration Report for the year ending 30 June 2024.

The following table outlines the number of rights issued or forfeited for each KMP during the half year period:

Executives and former Executives to which the performance rights related	2021, 2022 and 2023 LTVR forfeited	2023 STVR	2024 LTVR
N Gooderick	—	93,545	1,083,332
A Chiert	—	102,435	297,619
C Blaxland - Walker	—	94,394	238,095
J Beaumont	—	95,132	238,095
H Mourad	—	81,305	238,095
C Reece	—	90,236	238,095
J Faglioni	—	—	238,095
N Kulikov	—	—	238,095
S Swanson[1]	3,336,384	260,483	—
G Kerr[1]	—	112,768	—
D Lowe[1]	—	83,155	—
Total	**3,336,384**	**1,013,453**	**2,809,521**

1 Ceased as KMP on 1 July 2023.

Director's Declaration

The Directors of ClearView Wealth Limited (the Company) declare that in their opinion:

(a) the consolidated financial statements and Notes 1 to 15 are in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half year ended on that date; and
- complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.303 (5) of the *Corporations Act 2001*.

On behalf of the Directors

Mr Geoff Black
Chairman

21 February 2024

Independent Auditor's review report

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Independent Auditor's Review Report to the Members of ClearView Wealth Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of ClearView Wealth Limited (the Company) and its subsidiaries (collectively the Group), which comprised the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a description of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Building a better working world

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Louise Burns
Partner
Sydney
21 February 2024

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