Annual Report 2022

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Annual General Meeting

10 November 2022

Half year end

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30 June 2023

Annual Report

August 2023

Dates are subject to change.

Chairman's address

Geoff Black

At the outset of financial year 2022, the world was still focused on managing the spread of COVID-19 and effectively rolling out the vaccine. The Omicron variant didn't exist yet and there was optimism about the path forward. Unfortunately, COVID-19 continues to have a significant impact on society with high levels of infection and deaths, particularly among older people.

In addition to this, in 2022, we have seen the return of inflation at levels not seen for a generation. This has been due largely to disrupted supply lines, higher energy costs due to a war in Europe and the impact of catastrophic weather events.

Subsequent Reserve Bank initiatives to aggressively increase interest rates has materially dented consumer confidence, despite record low unemployment and job shortages.

Against this difficult economic backdrop, ClearView has performed strongly.

ClearView is benefiting from the improved performance of the life insurance market and its ongoing investment in business transformation to align with the structural changes in the industry. The Group has achieved a 22% increase in Underlying NPAT (from continued operations) of $26.4 million for the year to 30 June 2022, reflecting the strong performance of its life insurance business.

As I outlined last year, 2022 was going to be a transformative year for ClearView with a number of major strategic initiatives. I am pleased to report that all have progressed and are at different stages of completion.

During the year, the business continued investing in people, products and technology to expand and differentiate its value proposition to customers and advisers.

Work on strengthening the group's risk management framework and culture continued including a program of regular risk-focused communications to staff that featured in-person and online seminars, and e-learning courses.

The group completed the sale of its Financial Advice businesses to Centrepoint Alliance, creating a simpler ClearView that is focused on manufacturing and distributing quality, fit-for-purpose life insurance and wealth management solutions. We remain committed to the advice channel through our stake in Centrepoint Alliance and are pleased with the development of that investment.

As an industry, 2021/22 ushered in landmark changes to product design, disclosure materials and customer engagement requirements.

In October, a wave of new life insurance products with a greater focus on sustainability hit the market, as part of the Australian Prudential Regulation Authority's Individual Disability Income Insurance (**IDII**) sustainability measures. It appears that most insurers have acted prudently in their offering although there appear to be some signs that the inevitable benefit creep behaviour of the past is returning as insurers push to improve their market share.

ClearView's response to APRA's call is ClearView ClearChoice; a flexible, fair and unique offer that enables customers to adjust their cover as their circumstances and priorities change.

The product, which aims to balance compelling features and benefits with long-term stability, has been positively received by the market. This is reflected in a 24% year-on-year increase in new business annualised premium.

ClearView ClearChoice was launched on ClearView's new operating platform. This is the first phase of a multi-year implementation that will be the foundation of the group's future growth.

The launch of ClearView ClearChoice coincided with the introduction of changes to Design and Distribution Obligations and Unfair Contract Terms.

The start of 2022 also marked the classification of claims handling and settlement as a financial service; a recommendation in the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (**Royal Commission**) Financial Report.

Collectively, these changes strengthen consumer protections and will help build consumer trust and confidence in the financial services sector.

At ClearView, claims management continues to be a key area of focus.

Late last year, a new Chief Claims Officer was appointed to lead and develop the claims team, oversee enhancements to systems and processes, and drive improved claims outcomes.

The group's solid FY22 result reflected ongoing improvements in claims and lapse performance.

To date, ClearView has not been materially impacted by COVID-19 related claims, although we continue to closely monitor developments.

While the world and Australian society has largely adapted to living with COVID-19, the longer-term health implications of COVID-19, referred to as Long COVID, are still unknown. This reinforces the need to remain vigilant to control the spread and impact of COVID-19.

The Board felt it appropriate to strengthen its reserve for COVID-19 claims as continued uncertainty in relation to the impact of long COVID remains.

The claims reserves have been increased by $2.1 million (after tax), to allow for the risk of Long COVID, as well as some possibility of reopened income protection claims and the potential short term impacts from increased flu deaths on the legacy portfolio (mainly older lives) during the winter months.

The Wealth Management business faced strong headwinds, as interest rates rose and negative investor sentiment increased market volatility. Despite this, the team made excellent progress in the simplification transformation that commenced two years ago. We are now in a position to consider how best to take the Wealth Management business forward.

The majority of ClearView staff continue to work flexibly, splitting their work hours between the office and home. The business continues to maintain day-to-day operations with no disruption to customers.

Dividends and Capital

I am pleased to announce that the Board has declared a final fully franked dividend of 2c per share for FY22 (1c per share for FY21). While this is towards the mid point of our target payout ratio it reflects a prudent approach to capital management in quite uncertain times. ClearView's capital position continues to be strong.

The net surplus capital position of the Group above internal benchmarks is $25.8 million at 30 June 2022 and is stated prior to the payment of the FY22 final cash dividend. The surplus capital position and future business capital generation is anticipated to fund the net capital expenditure impacts of the material investment in the new policy administration platform over the multi year transformation period.

Strategic review

The strategic review process, which commenced in February this year, is ongoing. Discussions are continuing with interested parties in relation to the acquisition of the share capital of the Company. There are no assurances that the ClearView Board will decide to pursue any transaction, nor that any transaction will result from the negotiations.

Acknowledgments

On behalf of the Board, I would like to thank Simon and his Executive Leadership Team for successfully steering ClearView through a difficult period of disruption, change and, importantly, progress.

The transformative changes taking place across the industry and at ClearView in particular will underpin the company's long term growth.

Despite the increasingly challenging economic environment, ClearView is well positioned to continue growing and achieving its medium-to-long term goals.

The group's diverse and experienced Board, Executive Leadership Team and broader management team ensure diversity of thought and ideas. This diversity and inclusion reflects ClearView's commitment to being a positive force for staff, the community and the environment.

I would also like to thank and recognise my fellow Board directors, and the members of ClearView's various subsidiary boards, for their support and commitment throughout the year.

Geoff Black
Chairman

Managing Director's report

Simon Swanson

ClearView's transformation gathered steam in Financial Year 2021/22.

During the year, the company launched a new life insurance product series, ClearView ClearChoice, and a new integrated life insurance policy administration system, as part of our multi-year transformation program designed to ensure that we remain easy to do business with.

We also completed the sale of our Financial Advice business to Centrepoint Alliance, giving ClearView a 24.5% interest in one of Australia's largest listed advice services businesses.

We continue to invest heavily in technology, reflecting our commitment to continuously improving our systems and processes, and delivering a better adviser and customer experience. We continue to invest in our people capability, recruiting a number of experienced senior people in 2022 in areas of life insurance, technology, transformation and claims management.

Over the past few years, ClearView has sharpened its focus on the end customer particularly with respect to self-service.

While ClearView has always been a customer-centric organisation, as a company that distributes its life insurance and wealth management solutions exclusively through financial advisers, that has not always been formally stated.

We have rectified that in our updated vision and purpose statement: To support Australians to achieve their financial and wellbeing goals while being a positive force for our staff, community and the environment.

Our commitment to serving our customers and community has also been ratified in our Corporate Social Responsibility (**CSR**) strategy.

We do not believe being a customer-focused financial services company should come at the expense of financial advisers.

We emphatically believe in the value of professional advice and remain focused on supporting advisers to drive business productivity and efficiency.

Our aim is to help reduce the amount of time advisers spend on repetitive, low value administrative tasks by increasing the ability for customers to self-service.

This month, ClearView unveiled an intuitive wealth management customer and adviser portal.

Customers can now view and track their investments in a fresh and vibrant way. They can access greater functionality including calculators, educational tools and general product information. Advisers can complete e-Applications and manage fee consent forms online.

For ClearView, this marks the beginning of a new way of doing business. It enables us to improve and expand our customer communications and, ultimately, gather and utilise more insightful customer data.

This year, we made significant progress towards simplifying and resetting Wealth Management.

In May, we closed our remaining legacy superannuation products and transferred members to the group's contemporary WealthFoundations Super and Pension product.

This saw approximately 5,500 members, representing around $450 million under management, gain access to eight custom investment options and more competitive fees.

This intra-fund transfer represented the best long-term, sustainable option for our members.

Looking ahead, we believe the introduction of the retirement income covenant (a requirement for super funds to have a documented strategy to identify the retirement income needs of fund members) creates opportunities to better support Australians in, or nearing, retirement. As previously announced, ClearView is exploring opportunities with ManuLife Investment Management to develop a range of innovative retirement income solutions.

Solid performance

In 2022, ClearView's solid performance was underpinned by steady growth in our in-force life insurance portfolio and strong underlying claims and lapse experience.

Operating Earnings After Tax reflects the underlying performance of the business segments and has been adopted by the Board as its key measure of Group profitability and basis for dividend payment decisions. Operating Earnings After Tax increased by 22% to $28.0 million. Underlying NPAT from continuing operations, which includes the underlying investment income and interest cost on corporate debt, increased 22% to $26.4 million.

Life insurance remains ClearView's main profit driver, noting that the current rising interest rate environment is favourable to the business.

After years of record low interest rates, our conservatively-invested regulatory capital is working harder.

Higher interest rates will also help reduce our future claims costs, all things being equal.

That said, rising interest rates and inflation will increase pressure on household budgets.

So far, there are no signs of stress in our portfolio.

Furthermore, we do not expect a spike in lapse rates due to financial stress, given Australia's historically low unemployment rate.

Strong demand for labour is expected to remain, buoyed by reduced migration and offshore labour supply in response to the COVID-19 pandemic.

Inflation should see the value of our inforce book steadily rise.

A built-in benefit of ClearView's life insurance policies is that benefit amounts typically increase automatically at each policy anniversary in line with the Consumer Price Index (**CPI**). This indexation benefit ensures a person's cover keeps pace with the rising cost of living.

As an organisation that prioritises the well being of our staff and strives to be an employer of choice, the shift to a hybrid workplace is helping our people manage their professional and personal obligations more effectively. It is also helping them manage the rising cost of living.

With a growing number of staff commuting long distances, this flexibility allows them to save time and money on travel and dining.

What began as a necessary response to COVID-19 has become an essential and highly valued part of our employee value proposition.

As an organisation, we have also been able to reduce our carbon footprint.

In November last year, ClearView became a carbon neutral organisation through the Climate Active certification scheme for organisations.

As part of our CSR program, we have also undertaken some initial carbon footprint reduction initiatives. Our range of CSR initiatives, including our philanthropic giving program, are designed to improve our inclusivity, community and environmental impact.

Regulatory environment

This is a critical period for the life insurance industry, as the Australian Prudential Regulation Authority (**APRA**) examines the effectiveness of its Individual Disability Income Insurance (**IDII**) measures and Treasury prepares to release its Quality of Advice Review (**QAR**) by 16 December 2022.

The QAR, which includes a review of the Life Insurance Framework (**LIF**), will shape the industry's policy settings and determine how risk advice is provided and remunerated.

ClearView continues to advocate for choice. Consumers should be able to choose how they pay for risk advice be that commissions, fees, or a combination of both.

These issues, alongside upholding high standards of customer service and monitoring the Life Insurance Code of Practice (**LICOP**), are extremely important which is why ClearView is proud to be a founding member of the newly-formed Council of Australian Life Insurers (**CALI**).

CALI's mandate is to promote the value of life insurance and professional advice; advocate for better consumer access to appropriate, affordable and sustainable life insurance protection; and seek opportunities for the industry to further contribute to society.

ClearView is also supportive of the Financial Services Council's work to educate policymakers about the need for sensible public policy to underpin a strong and vibrant financial services industry.

Together, CALI and the FSC will work with the industry to strengthen consumer protections and secure long-term growth.

Acknowledgements

I would like to thank the fantastic people at ClearView, particularly my Executive Leadership Team, for their contribution and commitment to the business.

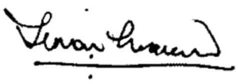
I would also like to acknowledge our financial advice partners for their ongoing support.

Financial advisers and Australian Financial Services Licensees often bear the brunt of regulatory and structural change.

In 2022, financial advisers continued navigating significant change and disruption while diligently serving their clients' needs.

Their resilience and dedication underpins the growth and success of the financial services industry.

I would also like to thank ClearView's Board and our subsidiary board directors for their advice, wise counsel, support and hard work in what has been a transformational year.



Simon Swanson
Managing Director

Directors' report

The Directors of ClearView Wealth Limited (ASX:CVW, ClearView or the Company) submit their report, together with the financial report of the consolidated entity (the Group) for the year ended 30 June 2022 (the financial year):

Directors

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

- Geoff Black (Chair)
- Michael Alscher
- Gary Burg
- Jennifer Lyon
- Simon Swanson (Managing Director)
- Nathanial Thomson
- Susan Young

Current directors

The biographies for the Directors of ClearView are detailed below.

Geoff Black BCom

Independent non-executive Chair

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

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

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

Independent non-executive Director

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

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

Nathanial Thomson BCom (Hons), LLB (Hons)

Non-executive Director

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

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

Michael Alscher BCom

Non-executive Director

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

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

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

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

Independent non-executive Director

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

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

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

Managing Director

Simon is the Managing Director of ClearView, appointed on 26 March 2010 and is the organisation's effective founder in its current form.

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

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

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

Susan Young BA (Hons), MA, FGIA, FCIS, MAICD, JP

Independent non-executive Director

Susan has over 35 years’ experience in senior executive roles internationally, with 15 years of experience in investment banking, followed by senior management roles in the corporate and professional services sector. She retired as a Partner of Spencer Stuart, and previously held operational management roles as both a divisional CFO and Joint Venture CEO/President for a Lend Lease Group company. Susan is a Governor and former Non-Executive Director of WWF Australia and previously served on the board of the Westmead Institute for Medical Research and various Lend Lease Group companies.

Susan was appointed to the Board on 14 December 2016 and is a member and Chair of the Board Audit Committee, and a member and former Chair of both the Board Risk and Compliance Committee and the Nomination and Remuneration Committee. She also served as a Non-Executive Director on ClearView’s superannuation trustee board, ClearView Life Nominees Pty Ltd until 24 March 2022 and held the position as its Chairperson from July 2014 until December 2016.

Company Secretary

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

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

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

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

Directorships of other listed companies

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

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

Meetings of Directors

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

	Board		Board Audit Committee		Board Risk and Compliance Committee		Nomination and Remuneration Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Geoff Black	15	15	7	7	6	6	5	5
Gary Burg	15	15	7	7	6	6	5	5
Michael Alscher	14	12	—	—	—	—	5	2
Nathanial Thomson	14	14	—	—	—	—	5	5
Jennifer Lyon	15	15	7	7	6	6	5	5
Susan Young	15	15	7	6	6	6	5	5
Simon Swanson	15	15	—	—	—	—	—	—

Directors' shareholdings

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

Director	Fully Paid Ordinary Shares	Executive Share Plan Shares	Performance Rights			Restricted Rights
			FY20[2]	FY21[3]	FY22[4]	FY22[5]
Geoff Black	50,000	–	–	–	–	–
Gary Burg	10,918,090	–	–	–	–	–
Michael Alscher[1]	–	–	–	–	–	–
Nathanial Thomson[1]	–	–	–	–	–	–
Jennifer Lyon	27,212	–	–	–	–	–
Susan Young	83,092	–	–	–	–	–
Simon Swanson	5,550,000	10,000,000	897,868	1,199,632	1,111,111	191,890

1 Mr Alscher and Mr Thomson represent the interests of CCP Bidco Pty Limited and its Associates that non-beneficially hold 399,543,860 shares.
2 LTIP Performance Rights with a vesting date of 30 June 2022
3 LTVR Performance Rights with a vesting date of 30 June 2024
4 LTVR Performance Rights with a vesting date of 30 June 2025
5 STVR Restricted Rights with a vesting date of 30 June 2024

Indemnification of Directors and Officers

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

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

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

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

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2018/191, dated 24 March 2016 and in accordance with that Corporations Instrument amounts in this report, and the financial report, have been rounded off to the nearest thousand dollars.

Auditor's independence declaration and non-audit services

The Directors have received an independence declaration from the auditors, a copy of which is on page 77.

Non-audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in section 2 to the financial statements.

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

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

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

Annual Corporate Governance Statement

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

Operating and Financial Review

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

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

- Life Insurance: ClearView Life Assurance Limited (**CLAL**) manufactures ClearView life insurance products under a retail life insurance Australian Financial Services (**AFS**) licence.
- Wealth Management: ClearView's Wealth Management products are designed to assist in the accumulation and preservation of wealth to achieve personal goals and objectives. ClearView Financial Management Limited (**CFML**), ClearView Life Nominees Pty Limited (**CLN**) and CLAL manufacture these investment and retirement solutions (managed investments and superannuation) under AFS licensees and a registrable superannuation entity (**RSE**) trustee licence.

ClearView strategy

ClearView was established in its current form in 2010 to focus on contemporary Life Insurance and Wealth Management, underpinned by superior products and service, distributed through the Independent Financial Adviser (**IFA**) channel. ClearView's strategy has been to become a trusted partner and advocate for IFAs.

The Australian life insurance market has attractive long term characteristics:

- a protection or life risk focused market;
- a large and growing risk insurance premium pool;
- flexible contract structures that allow repricing;
- supportive public policy settings; and
- strong underlying consumer demand for life insurance products.

The life insurance industry, post the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (**Royal Commission**), faced a challenging regulatory environment and experienced structural issues, in particular in relation to the poor performance of income protection products.

However, during this period, consumer demand for life insurance products remained strong despite the upheaval of the post Royal Commission financial adviser market that affected life insurance new business sales.

In more recent times, the life insurance market has started to show signs of revival including an improved regulatory outlook and a return to industry profitability driven by structural reforms focused on sustainability.

There have been material industry and regulatory changes that have been implemented to try to prevent the historical losses incurred on income protection policies. These have included regulatory actions (including capital charges), product changes (including the banning of some product categories) and re-pricing of historical in-force portfolios. The transformative changes taking place across the industry and at ClearView in particular underpins the Company's long term growth.

During this period of structural change, ClearView has focused 'internally' and commenced investing in a business transformation program to prepare for the projected rebound in the life insurance market. FY22 reflects the overall shift in focus of the organisation to growth in line with the inflection point of the industry.

The aim of the ClearView business transformation program has been to:

- Provide a better customer experience;
- Build a scalable foundation for future growth in the business; and
- Align the business to the structural and regulatory changes in the market to take advantage of the anticipated rebound.

Key achievements of the ClearView transformation program in FY22 are as follows:

- Launch of a new product suite (ClearView ClearChoice) on the new life insurance underwriting engine (**URE**) and Policy Administration System (**PAS**) in October 2021 with further automation and development of the technology platform expected over the next 18 months. ClearView ClearChoice's product suite includes a variety of sustainable new life insurance products and has features that are appropriately priced to earn a long term target return on capital (**ROC**). It is expected to benefit from the broader reset of the industry, an increased focus on sustainability and a return to pricing rationality in the market (over time);
- The customer engagement strategy execution is underway with the launch of a new digital front end for the WealthFoundations product that should be launched in the first quarter of FY23. Improved digital interfaces should improve efficiency for advisers and add flexibility to ClearView's business over time, with a shift to the Life Insurance business (aligned to the PAS project) expected in FY23.
- Implementing the required structural changes to enable long term growth: including the exit of direct ownership of adviser networks (sale of the financial advice business to Centrepoint Alliance Limited (**Centrepoint Alliance**) in November 2021) and the simplification of ClearView's wealth management business. As a result of the sale of the financial advice business, the majority of ClearView's Financial Advice employees moved across to Centrepoint Alliance, with many of them in leadership roles;
- Investment in capabilities and people: including the re-organisation of the company by product line and the investment in additional capabilities including the alignment of the executive team to the new organisational structure;
- An uplift in claims capability - a new team structure, education pathways and capability framework have been put in place, including the appointment of a new Chief Claims Officer; and
- Continued improvement in the risk maturity profile of the business.

The 2021 calendar year is largely considered an inflection point on growth and economics for the industry: given conduct regulatory settings coming into effect in 2021 and the directional change evident through the year including APRA's landmark intervention on income protection products and benefit sustainability (**IDII**).

There now appears to be clear path forward for the industry to generate historical market levels of ROC. This is likely to be achieved through:

- Improved new business (sustainable) margins from the launch of the new income protection product ranges in October 2021;
- 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; and
- Further repricing of in-force retail income protection portfolios to realign pricing to risk and experience which would further improve in-force margins.

These are discussed in further details below.

Improved new business flows and margin

There remains a high level of community awareness and intention to purchase life insurance products, with the financial adviser segment continuing to drive the adoption of the product by consumers.

Life insurance new business volumes have, over the last few years, been adversely impacted by broader market trends including the disruption to the financial advice industry from regulatory factors (such as the tightening of conduct settings and implementation of education standards).

The structural shift in the advice industry has seen advisers and banks exit the industry. This has predominantly been driven by the introduction of the Financial Adviser Standards and Ethics Authority (**FASEA**) standards, lower upfront commissions (due to Life Insurance Reforms (**LIF**)), removal of grandfathered commissions and rebates and increasing compliance costs within dealer groups.

However, notwithstanding the reduction in absolute financial adviser numbers, the reset of the industry has resulted in a 'higher quality' practicing financial adviser and a significantly improved regulatory outlook.

The overall market trends appear to be improving with the launch of new income protection products in October 2021 and positive changes in adviser focus (driven by reduced regulatory change and implementation of the education standards).

ClearView's focus has also shifted to growth in FY22, underpinned by the successful launch of its new ClearView ClearChoice product, supported by the implementation of the new PAS. ClearView's new business volumes increased by 24% to $20.2 million in FY22 and is now achieving a circa 7%-8% market share of quotes in the IFA market, since the launch of the new ClearView ClearChoice product.

ClearView has established a diversified distribution network with over 700+ dealer groups comprising of 4,000+ advisers. Historically, ClearView has demonstrated that it has the ability to capture ~10% of the IFA life insurance market as demonstrated by its historical track record.

ClearView has an actionable growth strategy to take advantage of the projected rebound in the life insurance market. Improved new business flows, coupled with the launch of new products at sustainable margins, is expected to improve profitability and ROC for new business written.

Technology transformation program – cost improvements

The design, build and implementation of the new PAS is a key strategic focus and a multi-year IT transformation project. The material investment in establishing URE/ straight through processing pathways based on expected client and adviser shifts is a key component of achieving acquisition cost efficiencies, coupled with a return to historical levels of new business volumes.

The successful implementation of the new PAS is expected to achieve operational benefits as follows:

- Improved adviser and customer experience, thereby increasing new business flows;
- New business, underwriting and administration efficiencies post the successful further development of the technology platform; and
- Back-end maintenance administration efficiencies (that will flow through progressively) post migration of the in-force portfolios onto the new technology platform.

The program of work initially prioritised the delivery of the adviser facing experience.

After go-live of the new PAS in October 2021 (to coincide with the launch of the new ClearView ClearChoice product), given the tight initial implementation timeline and impacts from COVID-19 disruptions, the focus has now shifted to build out and enhance the functionality to move to a position of increased stability.

Whilst the overall project has been delayed, a new operating model is in the process of being implemented with the achievement of adviser and cost efficiencies expected over time (as and when the further development of the platform is rolled out).

The key components of the development of the technology platform is expected to be materially completed over an eighteen month period (with migration of the in-force policies to occur thereafter).

The migration of the in-force portfolios and related automation and simplification of back end processes will allow for the achievement of maintenance cost efficiencies. This will lead to operating leverage and improved margins through increased new business flows and cost efficiencies (both acquisition and maintenance).

Improved interest rate environment

Interest earnings on capital has until recently been negatively impacted by ultra-low interest rates. An increase in interest rates (over time) is overall net positive for a business like ClearView, given its impacts on investment returns (as returns increase on the capital held by ClearView to support in-force policies and new business generation) and the discounted costs of future income protection claims (taking into account the estimated claims duration and adjusting for changes in expected inflation).

An upward movement in interest rates positively impacts underlying earnings and leads to a higher ROC.

Repricing of in-force portfolios

Post the launch of the new income protection products in October 2021, the industry as a whole shifted towards in-force repricing to address industry losses and reinsurance price increases. ClearView continues its implementation of the repricing of its LifeSolutions portfolio (staggered price rises commenced in January 2022) with retention initiatives and a continued focus on lapse management.

The repricing of in-force portfolios remains a long term structural driver to appropriately price for risk that should lead to in-force growth and profitability. This will therefore also lead to an improved ROC.

Structural Change: Sale of financial advice businesses

On 24 August 2021 ClearView announced the sale of its financial advice businesses to Centrepoint Alliance. The sale subsequently completed on 1 November 2021.

The transaction enables ClearView to indirectly participate in the financial advice market consolidation through its strategic shareholding in Centrepoint Alliance. The new combined entity is equipped with modern technology, strong compliance capability, an experienced management team and a combined network of skilled financial advisers to pursue further acquisition opportunities and deliver sustainable profitability to take advantage of the structural shifts in the financial advice industry.

Regulatory environment

During the year, the financial services industry continued to face significant regulation, scrutiny and disruption brought about by changes to the laws resulting from the Royal Commission.

In addition, industry bodies came together to commit to higher standards with additional claims handling provisions introduced to guide superannuation trustees and insurers on managing insurance claims with compassion, respect and in a timely manner; and enhancing protections for vulnerable customers.

The first half of 2022 saw the regulators commence widespread industry consultation on consumer-focused issues including underinsurance and access to affordable quality financial advice.

Throughout the next few years, we expect the regulator to increase its supervision and enforcement activities to ensure positive improvements in consumer outcomes with increased breach reporting; more efficient handling of customer complaints; the design and distribution of products to meet our customers' needs; and accurate and timely disclosures and reporting practices.

The formation of the Council of Australian Life Insurers (**CALI**) was announced on 22 June 2022. ClearView is a founding member of CALI, which is a new industry body dedicated to addressing specific issues facing the life insurance industry.

Regulatory reform

ClearView has implemented a number of regulatory and legislative industry reforms over the course of the financial year with many of the obligations coming into effect from late 2021 including enhancements to breach reporting and complaints handling processes; new design and distribution obligations (**DDO**); and an AFS licence variation to allow for claims handling and settlement services.

In superannuation, the Your Future, Your Super package has resulted in greater transparency and improved disclosures to members.

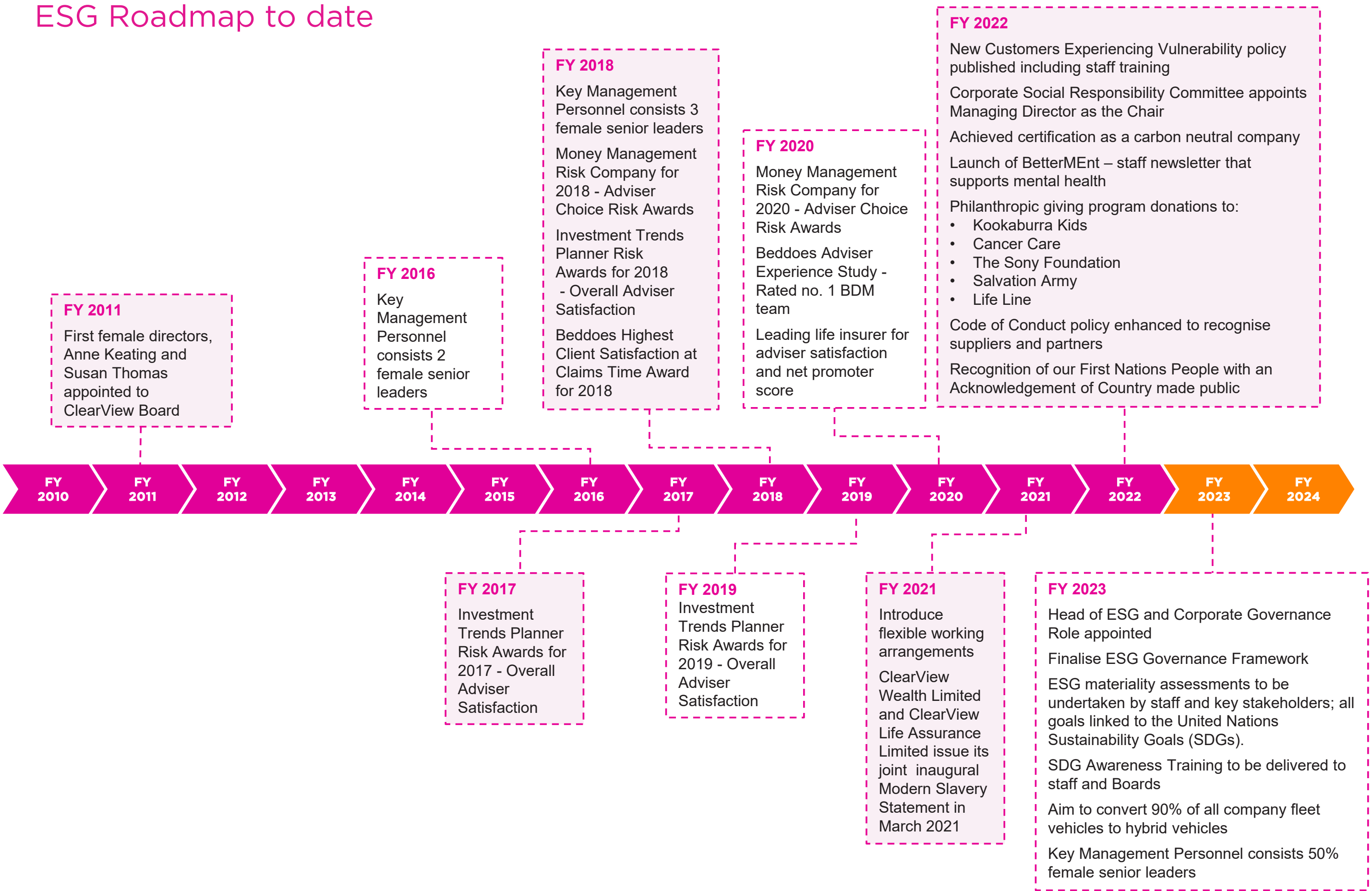
Environment, Social and Governance (ESG)

ESG Roadmap

ClearView appointed its first Head of ESG and Corporate Governance in June 2022 to lead our ESG proposition and have responsibility for ensuring the development of sustainable actions going forward, aligned to the United Nations Sustainable Development Goals (**SDGs**), and progress appropriately measured.

During 2023, ClearView will finalise its ESG Framework and SDG Awareness Training for our boards and staff which will set out ESG goals and initiatives for the next few years, project plans and key actions to fulfill those goals.

ESG Roadmap to date



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 areas for objectives as:

- Customer Outcomes - Support Australians to achieve their financial and wellbeing goals;
- Earnings - Provide a stable, reliable return on capital and pay a regular dividend;
- Capital Adequacy - Instil confidence in our ability to deliver on all our obligations through a conservative approach to capital adequacy;
- Growth / Economic Value - Grow the economic value of the company, reflected in share price, through volume growth, margin and 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**).

Customer and business partner outcomes, employee well-being and community and environmental impact are the pillars of ClearView's Corporate Social Responsibility Framework.

The Corporate Social Responsibility Committee, chaired by the Managing Director, has responsibility for detailing management focus under each pillar.

ClearView has gained certification from Climate Active under the Carbon Neutral Standard for Organisations.

To offset its emissions, ClearView supported environmental projects in South Australia, New Caledonia, Borneo and Indonesia.

Through its charitable giving program, ClearView also supports Cancer Care, Kookaburra Kids and the Sony Foundation.

ClearView has committed to the annual production of a Non-Financial Condition Report to raise focus on the areas of Customers, Partners, Community, Environment and Employees. The inaugural report will be prepared for the financial year ended 30 June 2022.

Risk management

Risk management describes the activities, processes and decisions that manage the risks that could drive outcomes diverging from ClearView's stated objectives.

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

The following diagram illustrates the key elements of the RMF.

Risk Governance

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

Risk Management Approach

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

Risk Culture

Risk Management Process

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

Risk Management Accountability

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

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

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

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

ClearView has adopted a three lines of defence approach 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 of defence 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 of defence is the Group's Risk and Compliance 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 of defence 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 RMS outlines ClearView's material risks from a strategic, customer, business and financial perspective. For each material risk the RMS articulates the mitigation strategy as well as the policy, governance elements and responsibilities for management.

ClearView's RAS describes the appetite for each material risk type and identifies key risk metrics that are reviewed quarterly at the Risk Committee.

The material risk categories for ClearView are as follows:

- Insurance
- Liquidity
- Credit
- Investment management and market risk (Interest rate, asset liability management)
- Operational
- Compliance
- Strategic

Continuous Improvement of the Risk Management Framework

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 recognises that the greatest asset in effectively managing risks in the organisation is the people that manage the business. By instilling a culture that is outcome focused, risk aware, transparent and accountable the business will be significantly stronger in the face of emerging risks than it would be through reliance on process and policy alone. ClearView has invested in raising the standard of risk culture over the last year.

ClearView's Board has approved the following risk culture statement:

"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?".

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.

FY22 Results overview

The ClearView Group achieved the following results for the year ended 30 June 2022.

After Tax Profit by Segment, $M	FY22 $M	FY21 $M	% Change[12]
Life Insurance	28.9	23.5	23%
Wealth Management	(0.1)	0.6	(112)%
Listed/Group Costs	(0.8)	(1.2)	(28)%
Operating Earnings After Tax[1]	**28.0**	**23.0**	**22%**
Net underlying investment income[2]	(2.1)	(1.2)	66%
Equity accounted minority interest (Financial Advice)	0.5	—	Large
Group Underlying NPAT (Continued Operations)[3]	**26.4**	**21.7**	**22%**
Financial Advice (Discontinued Operation)[4]	(0.8)	0.9	Large
Group Underlying NPAT	**25.7**	**22.7**	**13%**
Policy liability discount rate effect[5]	(11.3)	(11.4)	—%
Wealth Management project[6]	—	(3.1)	Large
Impairments[7]	(0.8)	(1.5)	(46)%
Strategic Review Costs[8]	(2.4)	—	Large
Sale of Advice Business[9]	11.5	—	Large
Other costs	(1.5)	(0.1)	Large
Reported Profit After Tax[10]	**21.2**	**6.7**	**217%**
Embedded value (cps)[11]	92.2	95.7	(4%)
Net asset value (cps)	74.5	72.3	3%
Reported diluted EPS (cps) (Continued Operations)	1.73	1.06	63%
Underlying diluted EPS (cps) (Continued Operations)	4.07	3.62	12%

1 Operating Earnings (after tax) represents the Underlying NPAT[2] of the business segments before underlying investment income and interest costs associated with corporate debt and Tier 2 Capital. Costs associated with the incurred claims treaty are reflected as part of reinsurance costs.

2 Net underlying investment income includes investment income on shareholder cash of $1.9m (FY21: $1.6m) and interest on corporate debt (including Tier 2) of $4.0m (FY21: 2.8m).

3 Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases.

4 Financial information from continuing operations includes Life Insurance and Wealth Management business units, listed segment and equity accounted earnings of Centrepoint Alliance from the date of completion (1 November 2021); excludes the contribution of the Financial Advice business until the date of sale. No adjustments have been made in FY21 for stranded costs or other internal charges as a result of the sale of the financial advice businesses.

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

6 Costs associated with transition to HUB24 platform.

7 FY22 relates to the impairment of ClearView's head office lease right of use asset given the reduction in headcount subsequent to the Financial Advice transaction. FY21 impairments relate to the receivable from ClearView Retirement Plan (CRP). The recoverability of the receivable from CRP will continue to be assessed at each reporting period.

8 Costs incurred on the evaluation of strategic options for the potential change in major shareholder. Costs incurred in FY22 relate to preparation of due diligence reports and legal fees incurred to date.

9 The gain recognised on the sale of ClearView Financial Advice, Matrix Planning Solutions and LaVista Licensee Solutions to Centrepoint Alliance on 1 November 2021, net of costs to sell. Includes $0.2m of costs in relation to the acquisition of a strategic stake in Centrepoint Alliance.

10 Includes $10.1m of reported profit from discontinued operations (FY21: $1.1m)

11 Embedded Value per share at 4% discount rate margin, including a value for future franking credits, accrued franking credits and Employee Share Plan (ESP) loans. Risk free rate of 3.5% adopted in FY22 (FY21:2%).

12 % change FY21 to FY22.

Overview of result

Revenue

The majority of the Group's revenue base is generated from premiums and fees charged in respect to in-force life insurance policyholders and funds under management. Revenue growth of 7% in the year was primarily attributable to the Life Insurance business. The Life Insurance business accounted for circa 90% of ClearView's total revenue during the year.

The increase in gross life insurance premiums was driven mainly by premiums in force that rose from $289.8 million in FY21 to $311.4 million in FY22. Core in-force premium growth primarily reflects long term stock dynamics including the net impact of new business flows, lapses and age, CPI and in-force premium rate increases. The repricing of the in-force portfolios remains a long term structural driver (as noted earlier in the report) with primary downside risk (lapses) offset by new business upside.

Funds management fee income generated by the Wealth Management business decreased from $31.0 million in FY21 to $29.9 million in FY22. FUM balances reduced from $3.39 billion in FY21 to $3.26 billion in FY22.

Fee income was impacted by the decline in fee margins from the continued shift in the FUM mix to lower margin contemporary products. The transition of the Master Trust (traditional) product and FUM (circa $450 million) to WealthFoundations occurred in May 2022, with the full annualised impact on fee income to flow through in FY23. The transition simplified the product suite and offered clients a more contemporary product.

Cost base and investments

In light of the industry changes, while retention initiatives remain in place, FY22 has seen the business focus shifting to investment and growth, underpinned by the launch of the new ClearView ClearChoice product (at sustainable margins), supported by the implementation of the new PAS.

Simultaneous with this program of work, the business commenced the simplification of its wealth management business that should drive cost efficiencies and further simplified the Group's cost base with the sale of the financial advice businesses in November 2021.

Total operating expenses (from continuing operations) increased to $79.8 million in FY22 (FY21: $72.5 million[1]). The increase in the cost base was predominantly driven by investment into key areas of the business as follows:

- the line of business structure, claims function and risk management and compliance uplift;
- new product development (ClearView ClearChoice product);
- key projects including the implementation of the new PAS, transition of the Master Trust (traditional) product to WealthFoundations and the implementation of AASB 17;
- IT infrastructure and cyber security; and
- increased costs on the newly signed Head Office lease (on expiry of the sublease).

A line of business structure was implemented in 2H FY21, with key appointments made and changes flowing through the cost base in FY22.

The investment in the projects (outside of the PAS and simplification of the Wealth Management business) include the implementation of AASB 17 (new insurance accounting standard) and regulatory changes such as the new design and distribution obligations that were implemented during the year.

Given the investment in the new PAS, underwriting engine (life insurance focus) and improved digital interfaces for advisers and customer engagement (Wealth Management front end), the information technology spend increased significantly in FY22.

The PAS transformation costs associated with running a duplicate system are reported as costs considered unusual to the ordinary activities of the Group. Further details are provided later in the report.

Total operating expenses (from discontinued operations) of $4.7 million were incurred in FY22 (FY21: $12.1 million). Following the sale of the Financial Advice business, the business is impacted by certain stranded expenses resulting from the separation of the business. The stranded expenses are expected to peak in FY22 and to reduce progressively over time. These costs primarily relate to IT infrastructure costs shared between the different business units and staff expenses associated with business partner and shared service costs.

1 No adjustments have been made in FY21 for stranded costs as a result of the sale of the financial advice businesses

The table below reconciles the FY22 operating expenses (from continuing operations) of $79.8 million with the reported operating expenses in the Annual Report:

Reconciliation of operating expenses to reported operating expenses per financial statements		
$M	**FY22**	**FY21**
Operating expenses	**79.8**	**72.5**
Custody investment management expenses	7.9	8.6
Depreciation and software amortisation	(3.0)	(3.6)
Stamp duty	11.9	11.2
Depreciation (right of use assets)	(3.1)	(2.2)
Medical costs	1.4	1.0
Interest on corporate debt/Tier 2	5.7	4.0
Reinsurance incurred claims cost	3.6	2.4
PIMCO mandate fee	0.5	0.2
Reinsurance technology costs	0.6	0.8
Wealth Management Project	—	4.4
Recoverable adviser related costs	—	—
Impairments	—	3.3
Expense associated with buy out of adviser contractual arrangement	—	—
PAS transformation duplication costs	1.4	—
Strategic review	2.4	—
Expenses on consolidation of unit trusts	1.6	1.1
Other expenses	1.5	0.5
Operating Expenses per financial statements	**112.2**	**104.2**

Operating Earnings After Tax and Underlying NPAT

Operating Earnings After Tax[1] reflects the underlying performance of the business segments and has been adopted by the Board as its key measure of Group profitability and basis for dividend payment decisions. Operating Earnings After Tax[1] increased by 22% to $28.0 million (FY21: $23.0 million). Life Insurance is the main contributor to business segment Operating Earnings After Tax[1] and its growth in its earnings is discussed in further detail later in the report.

ClearView has a set of clear targets for the transformation of its life insurance business, with outcomes to be determined by the continued implementation of the new PAS, take up of the new ClearView ClearChoice product and the further repricing of the LifeSolutions in-force portfolios (over a period of time).

Underlying NPAT[2] from continuing operations, which includes the underlying investment income and interest cost on corporate debt, increased 22% to $26.4 million (FY21: $21.7 million) and fully diluted Underlying EPS increased 12% to 4.07 cps (FY21: 3.62 cps).

Interest earnings on capital has until recently been negatively impacted by ultra-low interest rates and changes to the capital structure of the business. Interest costs associated with the issue of the Tier 2 subordinated notes arose from November 2020, and impacted the result by $1.1 million (after tax) between periods.

In the last quarter of FY22, in line with the increases in interest rates, there was a material improvement in the underlying earning rate on the fixed interest portfolio. An increase in interest rates is overall a net positive for a business like ClearView, given its positive impacts on investment returns (as returns increase on the capital held by ClearView to support in-force policies and new business generation) and the discounted costs of future income protection claims (taking into account the estimated claims duration and adjusting for changes in expected inflation). This is considered to be a significant tail wind for the business.

The Centrepoint Alliance transaction has been equity accounted for the eight month period post completion, contributing $0.5 million to Underlying NPAT. The merged entity has been able to achieve significant operating leverage and scale post the transaction, including the achievement of anticipated cost synergies.

ClearView is well-positioned to capture future growth underpinned by recent investments in technology, processes and people.

1 Operating Earnings (after tax) represents the Underlying NPAT[2] of the business segments before underlying investment income and interest costs associated with corporate debt and Tier 2 Capital. Costs associated with the incurred claims treaty are reflected as part of reinsurance costs.

2 Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalized software and leases.

Reported NPAT

Reported NPAT, increased 217% to $21.2 million (FY21: $6.7 million) and reported diluted EPS increased 63% to 1.73 cps (FY21: 1.06 cps).

Reported NPAT was positively impacted by the gain on sale of the financial advice business, albeit offset by costs incurred for the strategic review and changes in the long-term discount rates used to determine insurance policy liabilities and the incurred income protection disabled lives claims reserves, which is separately reported below the line and explained in further detail below.

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

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

The following items impacted the reported NPAT and comprised the items outlined in the table above:

Reconciling items ($M)	FY22	FY21
Policy liability discount rate effect	(11.3)	(11.4)
Wealth Management project	—	(3.1)
Impairment costs	(0.8)	(1.5)
Strategic Review costs	(2.4)	—
Sale of Advice Business	11.5	—
Other costs	(1.5)	(0.1)
Total	**(4.5)**	**(16.1)**

Policy liability and disabled lives reserves discount rate effect

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

ClearView reports this volatility separately.

For the life insurance policy liability, this represents a timing difference in the release of profit and has no impact on underlying earnings. However, this movement in policy liability creates a cash flow tax effect. The net impact of the changes in long-term discount rates on policy liability in the year ended 30 June 2022, caused a decrease in after-tax profit of -$8.3 million (FY21: -$2.8 million).

For the incurred income protection disabled lives claims reserves, this represents a change in the claims costs given the discounting of the incurred claims reserves at market discount rates.

In December 2020, ClearView updated its investment strategy and appointed PIMCO with a specialist investment mandate to manage, in close consultation with ClearView, the shareholder funds that match the insurance liabilities, claims and capital reserves and surplus capital in the life company. The investment mandate with PIMCO allows for the consolidation of shareholder funds into a single mandate and replaces the previous strategy of investing short duration shareholder funds in bank term deposits and longer duration assets in index bond funds. An overall investment loss of -$8.5 million after tax was made in the year ended 30 June 2022 (FY21: -0.7 million) and was predominantly driven by the adverse movement in credit spreads in the last quarter of FY22 (no impairment of any assets).

The asset liability management solution has been appropriately calibrated and aligned with the business risk appetite. The extent that the investments impacted earnings to offset the above-mentioned liability (claims cost) impact from changes in discount rates has also been reported below the line. An overall profit of +$5.5 million after tax was made in the year ended 30 June 2022 (FY21: -$0.4 million), partially offsetting the investment losses.

Impairments

Impairment of the ClearView head office lease right of use asset

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

Impairment of receivable from ClearView Retirement Plan (CRP)

In FY21, the ClearView LifeSolutions Risk Only Division has been transferred from CLN as trustee of the ClearView Retirement Plan (**CRP**) to HTFS Nominees Pty Limited as trustee of the HUB24 Super Fund. All the members under the Risk Only Division are now members of the ClearView Insurance Plan within the ClearView Super Plan, a division under HUB24 Super Fund. CLAL continues to issue life insurance policies and provide insurance services to the transferred members as well as new members in the ClearView Super Plan.

As at 30 June 2022, the Group held a receivable amount from CRP of $3.3 million (30 June 2021: $9.0million), net of an impairment provision of $0.6 million (30 June 2021: $1.5 million). It is expected that the receivable amount will be recoverable in the foreseeable future as CRP continues to generate future taxable income. The recoverability of the receivable from CRP will continue to be assessed at each reporting period.

Strategic review costs

Following an evaluation of the Company's future capital structure and discussions with ClearView's largest shareholder, Crescent Capital Partners, the ClearView Board commenced a strategic review process (as noted earlier in the report).

ClearView has appointed BofA Securities as exclusive financial adviser, and Gilbert + Tobin as its legal adviser in relation to the review. Costs of $2.4 million were recognised in FY22 in relation to the strategic review, predominantly related to vendor due diligence and legal costs incurred to support the overall review. Additional adviser fees relating to the strategic review may be incurred in FY23 and will be dependent on the successful conclusion of a transaction.

Sale of Advice Business

On 25 August 2021, ClearView announced the sale of its financial advice businesses, following a strategic review in this segment to seek out and pursue inorganic opportunities to accelerate its path to scale. The businesses were sold on 1 November 2021 to Centrepoint Alliance.

At the time of the sale the fair value of the investment in Centrepoint Alliance was determined to be $13.4 million (48 million shares at 28 cents per share) and was recognised as an investment in associate.

The gain on sale of $11.7 million is reflected net of costs related to the sale of $1.7 million, including shared redundancy costs, legal fees, employee, consultancy, professional indemnity insurance run off cover and other costs associated with the sale of the financial advice businesses. These costs have been accounted for as part of the gain of sale of the financial advice business.

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

Other costs unusual to ordinary activities

Other costs include $1.0 million (after tax) expensed in relation to the Life Insurance IT transformation project, that are considered costs unusual to the ordinary activities. These costs relate to duplicate system costs associated with the implementation of the new PAS. The costs of migration will be incurred as the platform development continues and to allow for the migration of the in-force portfolios onto the new platform once the further development of the platform has been successfully completed. Further details on the PAS project will be provided as it progresses.

In FY21, ClearView selected HUB24 Limited (**HUB24**) as its strategic wrap platform provider following a comprehensive market review. In FY22, no further costs were incurred (FY21: $4.4 million).

Other costs include a $0.3 million (after tax) related to the remediation of certain direct policies sold through Freedom insurance in 2014. The direct business has been closed since 2017. The remediation program is expected to be completed in FY23.

Operating segment review

Life Insurance

The FY22 financial performance is detailed below.

Life Insurance result:

12 Months to June 2022 ($M)[1]	2021 1H	2021 2H	2021 FY21	2022 1H	2022 2H	2022 FY22	% Change[5]
Gross life insurance premiums	138.4	139.8	278.2	147.6	152.1	299.6	8%
Other income	—	0.2	0.2	—	—	—	Large
Net claims incurred	(19.1)	(25.5)	(44.5)	(21.0)	(24.2)	(45.2)	2%
Reinsurance premium expense	(50.2)	(54.0)	(104.2)	(58.0)	(60.5)	(118.6)	14%
Commission and other variable expenses	(26.4)	(26.9)	(53.3)	(29.8)	(29.9)	(59.7)	12%
Operating expenses	(26.1)	(28.2)	(54.3)	(29.3)	(31.1)	(60.4)	11%
Movement in policy liabilities	1.1	10.5	11.6	9.6	15.5	25.1	117%
BU Operating Earnings (before tax)	**17.7**	**15.9**	**33.6**	**19.0**	**21.9**	**40.9**	**22%**
Income tax (expense) / benefit	(5.3)	(4.8)	(10.1)	(5.6)	(6.3)	(11.9)	18%
BU Operating Earnings (after tax)	**12.4**	**11.1**	**23.5**	**13.4**	**15.5**	**28.9**	**23%**
Net underlying investment income[2]	0.4	0.2	0.6	(0.1)	0.4	0.3	
Underlying NPAT	**12.8**	**11.3**	**24.1**	**13.3**	**16.0**	**29.2**	**22%**
Policy liability discount rate effect (after tax)	(1.3)	(10.1)	(11.4)	(2.4)	(8.9)	(11.3)	(0%)
Impairments	(0.6)	(0.9)	(1.5)	—	—	—	Large
Other costs	—	—	—	(0.3)	(1.0)	(1.3)	Large
Reported NPAT	**10.9**	**0.3**	**11.2**	**10.6**	**6.1**	**16.6**	**48%**

Analysis of Profit ($M)	2021 1H	2021 2H	2021 FY21	2022 1H	2022 2H	2022 FY22	% Change[5]
Expected Underlying NPAT[3]	**14.3**	**13.0**	**27.3**	**13.7**	**13.5**	**27.2**	**—%**
Claims experience	3.2	1.0	4.2	0.5	2.9	3.4	(19)%
Lapse experience	(0.9)	4.6	3.7	0.2	4.0	4.2	16%
Expense experience	(2.7)	(4.0)	(6.7)	(1.1)	(1.7)	(2.8)	(58)%
Other	(1.1)	(0.3)	(1.5)	0.1	1.8	1.7	Large
Actual Underlying NPAT before claims assumptions	**12.8**	**14.2**	**27.0**	**13.3**	**20.5**	**33.7**	**25%**
Claims Assumptions Changes	—	(2.9)	(2.9)	—	(2.5)	(2.5)	Large
Long COVID/reopened claims					(2.1)	(2.1)	Large
Actual Underlying NPAT	**12.8**	**11.3**	**24.1**	**13.3**	**16.0**	**29.2**	**22%**

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

2 Net underlying investment income includes investment income on shareholder cash of $1.6m (FY21: $1.4m) and interest expense on corporate debt (including Tier 2) of $1.3m (FY21: $0.8m).

3 Expected Underlying NPAT of $27.2 million reflects expected profit margins on in-force portfolios based on actuarial assumptions and includes short term COVID-19 overlays and changes to the claims assumptions as at 30 June 2021.

4 Other predominately relates to the actual net interest rates earned versus expected in the life insurance segment.

5 % change represents the movement from FY21 to FY22.

Business Unit Operating Earnings After Tax[1], increased by 23% to $28.9 million (FY21: $23.5 million). Reported NPAT, increased by 48% to $16.6 million (FY21: $11.2 million).

ClearView's historical performance (prior to FY21) was adversely impacted by unsustainable income protection product experience, declining investment returns and adverse impacts from the COVID-19 pandemic. This mirrored some difficult trading conditions experienced across the industry. The continued improvement in Life Insurance profitability in FY22 is driven by:

- the strong momentum in the business;
- overall positive underlying claims and lapse performance (relative to the assumptions adopted as at 30 June 2021 including allowances for COVID-19 and repricing respectively). The positive FY22 life insurance result is also in the context of improving industry performance;
- resetting and rebaselining of actuarial assumptions (over time) to align with the overall environment;
- repricing of the LifeSolutions in-force portfolios (over time) to take into account the impacts of increased reinsurance costs and related material changes made to the income protection claims assumptions;
- launch of new ClearView ClearChoice product range at sustainable margins;
- investment in the new technology platform with the aim of improving new business flows and obtaining cost efficiencies over time; and
- an increasing interest rate environment in the last few months of FY22

The more recent increase in the underlying earning rate on the investment portfolio has a net overall positive impact on the result, albeit partially offset by the increased costs on Tier 2 subordinated debt that is linked to the three month Bank Bill Swap Rate.

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

These arrangements remain in place with the launch of ClearView ClearChoice in October 2021. ClearView pays an annual cost on the liabilities (reported as part of the reinsurance cost) related to the settlement of the incurred liabilities (FY22: $2.5 million after tax (FY21: $1.7 million)).

The business has proven resilient to the health and economic impacts of COVID-19 to date and continues to be on track to meet its medium to long term transformation and improvement objectives (as evidenced in FY22 result).

Key items of the performance of the life insurance segment for the year ended 30 June 2022 are noted in further detail below:

1 Operating Earnings (after tax) represents the Underlying NPAT[2] of the business segments before underlying investment income and interest costs associated with corporate debt and Tier 2 Capital. Costs associated with the incurred claims treaty are reflected as part of reinsurance costs.

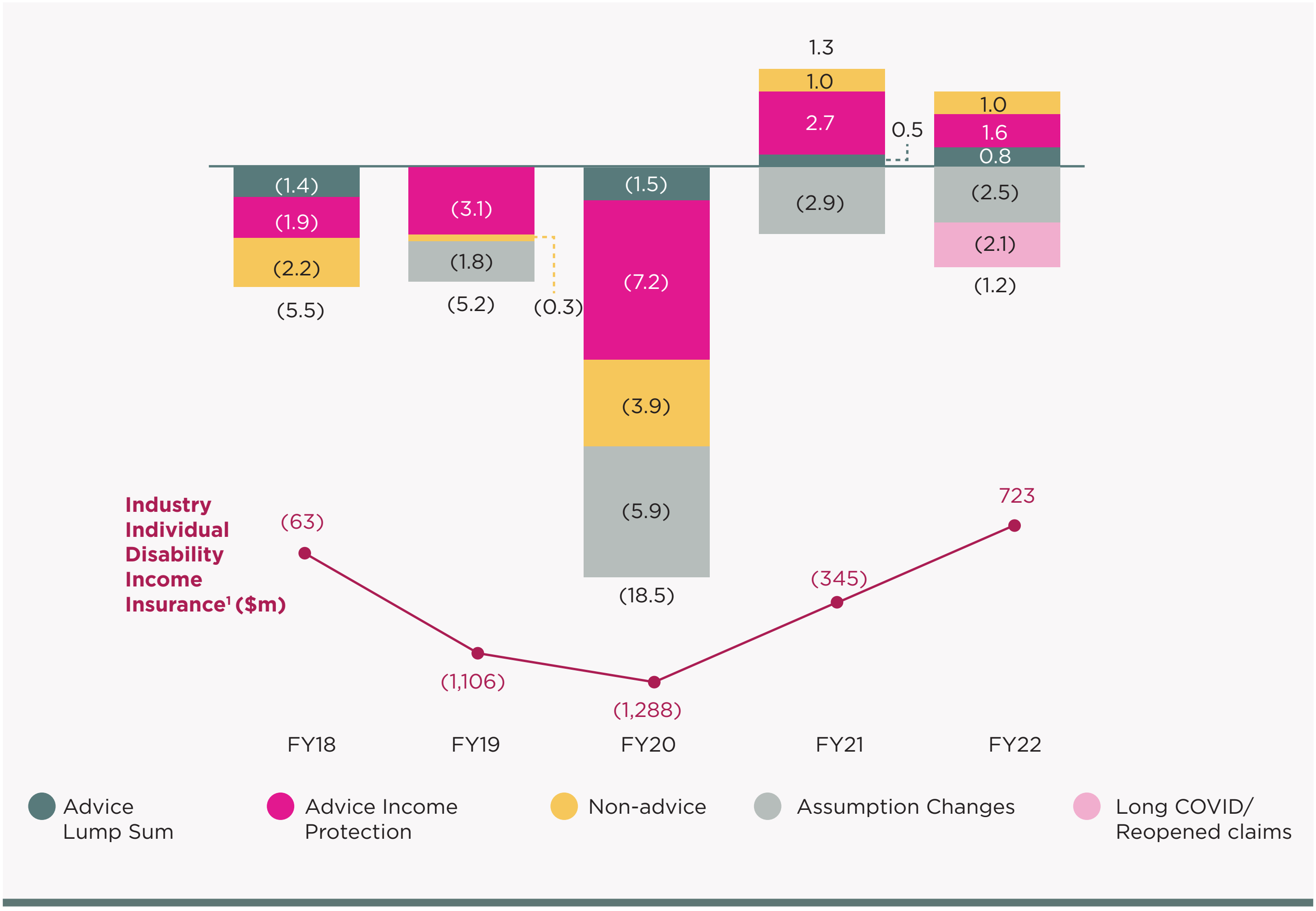
2 Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalized software and leases.

Claims

The positive underlying claims experience of $3.4 million in FY22 (relative to the 30 June 2021 assumptions adopted, including allowances for COVID-19) can be broken down as follows:

- ClearView advice lump sum portfolio underlying positive experience of $0.8 million in FY22 (FY21: $0.5 million positive experience);
- ClearView advice income protection portfolio reflects underlying positive experience of $1.6 million in FY22 (FY21: $2.7 million positive experience); and
- Direct portfolios (closed to new business) reflects underlying positive experience in FY22 of $1.0 million (FY21: $1.0 million positive experience).

Chart 1: Claims Experience ($M)[2]



1 Industry Individual Disability Income Losses for relevant year end period. For FY22 the Industry Individual Disability Income Losses is for the 12 months ended 31 March 2022 as the June 2022 quarterly result was not available. Source: APRA Quarterly Life Insurance Performance Statistics March 2022.

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

There has been a material improvement in the claims performance of the Life Insurance business from FY21. An uplift in claims capability - a new team structure, education pathways and capability framework have been put in place, including the appointment of a new Chief Claims Officer.

ClearView also realigned and adopted material changes to its actuarial claims assumptions as at 30 June 2020, followed by some additional changes at 30 June 2021 (as previously reported). The following further changes have been made to the lump sum actuarial assumptions at 30 June 2022[1] that had an overall adverse $2.5 million impact on the FY22 result as follows:

- The strengthening of TPD and Trauma acceptance rates which resulted in an increase in Reported But Not Admitted (**RBNA**) reserves;
- The strengthening of delay factors for TPD and Trauma benefits which increased the Incurred But Not Reported (**IBNR**) reserve; and
- The strengthening of the TPD underlying claims basis partially offset by a reduction in death claims costs.

The direct portfolios (closed to new business), has continued its improvement in FY22 post a deteriorating trend over the the FY18-FY20 period, noting that the surplus reinsurance program of the portfolio acquired in 2010 retains more risk than the ClearView LifeSolutions products. The portfolio has historically reflected claims profits over a longer period of time, albeit with some volatility between periods.

The new product, ClearView ClearChoice, also deals with 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. From a claims perspective, it would be too early in the portfolio's lifecycle to make any assessment of its performance to date.

The industry performance also appears to be improving. The historical poor performance in income protection claims across the industry was driven by underpricing and generous benefits that have not kept up with societal trends. Collectively, risk insurance products returned a significantly improved result for the year ended 31 March 2022, recording a profit of $930.2 million compared to a loss of $145.5 million in the prior year. This result was predominantly driven by Individual income protection which recorded a profit of $723.2 million, a $1.1 billion increase from the previous year. Individual lump sum returned a profit of $393.2 million, a slight increase from the prior year's result of $370.5 million. Group products returned mixed results in comparison to the prior year, noting that ClearView only participates in the Individual risk market.

ClearView's overall income protection claims performance has continued its positive performance driven by termination experience. Termination experience relates to how long a claim lasts, with higher terminations meaning that a claim is paid for a shorter period and that the claims cost therefore decreases.

Given that overall ClearView's long-term incidence (number of claims received) and termination experience have been broadly in line with the current claims basis, no change was made to the income protection claims assumptions set at 30 June 2022[2].

However, there has been a material increase in terminations observed in recent months and whilst no re-opens have been observed yet, a cautious approach has been adopted and a re-open reserve has been established at year end. The reserve raised also covers the potential for long COVID-19 claims eventuating in the portfolio (that is discussed in further detail below).

1 ClearView's claims basis for the Advice Lump Sum business was based on Actuaries Institute's AI 2004 – 2008 Lump Sum table with overlays of industry's claims experience and ClearView's claims experience where credible. ClearView's lump sum claims basis has been re-expressed based on the latest FSC-KPMG ALS 2014-2018 table ("new ALS table"), which is updated for credible and more recent industry claims experience for the period 2014 – 2018.

2 From 1 January 2021, APRA has, under the IDII review, required companies to base their income protection claims assumptions on the most recent industry table, with a release date of not older than eighteen months. Currently, this table is the FSC-KPMG ADI 2014-2018 table released last year, based on the 2014 to 2018 experience. The new tables have been adopted since 30 June 2021 (across the industry).

COVID-19

The recent further waves of infections and ease of transmission of the Omicron variant since late November 2021, have led to high numbers of COVID-19 infections. Evidence continues to support the effectiveness of the vaccines (and boosters) against severe illness. At the time of writing, the Australian Government has shifted away from a "zero-COVID" strategy. As a result, there are now close to no restrictions with international travel also resuming.

The outbreaks have continued to impact significant aspects of everyday lives and the flow on effects to the economy. We have seen the return of inflation at levels not seen for a generation brought about by disrupted supply lines, significant increase in energy costs due to a war in Europe and the impact of catastrophic weather events. The latest job vacancy data indicates the labour market is incredibly tight and the unemployment rate declined further in June 2022 to 3.5%, and a further decline in unemployment is expected over the months ahead. Beyond that, some increase in unemployment is expected as economic growth slows.

ClearView has considered the impact of COVID-19 on its claims assumptions. The COVID-19 provisions previously held only applied up to FY22, with no allowances post 30 June 2022.

It was initially expected that an indirect impact on mortality and morbidity from COVID-19 due to economic downturns was likely to outweigh the direct impact (that is, a medical condition caused directly by COVID-19).

In light of the current job market and low unemployment rate, it has been considered appropriate to continue to not hold any claims allowances for the indirect (economic) impact from COVID-19. This will continue to be closely monitored given changes in the interest rate environment and likely stress on the economy.

However, claims allowances have been made in the assumptions at 30 June 2022, for the direct (that is, medical) impact from COVID-19.

In relation to death claims, an allowance has been made at 30 June 2022 for potential COVID-19 related death claims (circa $0.5 million net impact), calibrated by applying the average observed mortality rate to the lives in the ClearView portfolio based on an assumed infection rate.

In relation to trauma claims, an allowance has been made at 30 June 2022, for a small number of COVID-19 related trauma claims due to the progression of early stages of breast cancer to later stages as a consequence of a decrease in number of screenings ($0.1 million net of reinsurance impact).

Similar to income protection claims, the impact on TPD claims from COVID-19 is expected to be indirect and largely arise from an increased volume of claims where there is an increased level of subjectivity in assessment (particularly from a mental illness or musculoskeletal claims cause). No claims provision is being held currently for COVID-19 related income protection or TPD claims as there has been no evidence to suggest that these claims types have materially increased. Income protection claims terminations continue to be closely monitored in relation to the general economic conditions.

More detailed information is provided in Note (j) to the financial statements.

Long COVID-19

In Australia, there is limited data currently available with respect to the long-term health impact of COVID-19 (Long COVID-19). There is a variety of research on COVID in the short-term, however there is uncertainty and persistent concerns around the impacts of Long COVID.

In countries with more data on infections such as the United Kingdom (albeit largely associated with the pre-Omicron variants including the Alpha and Delta variants), the outcome of a survey on the infected population that there may be a non-trivial impact from Long COVID-19.

ClearView has set up an additional (net of reinsurance) reserve to be held to allow for an increase in income protection claims as a result of Long COVID-19. As at 30 June 2022, a total provision of $2.1 million (post-tax, net of reinsurance) has been raised at balance date to cover:

- the potential Long COVID-19 related impacts;
- the potential impact due to the rising spread of influenza (in particular on the older aged legacy portfolio); and
- a potential reopening of income protection claims which may emerge in FY23 (as noted earlier in the report).

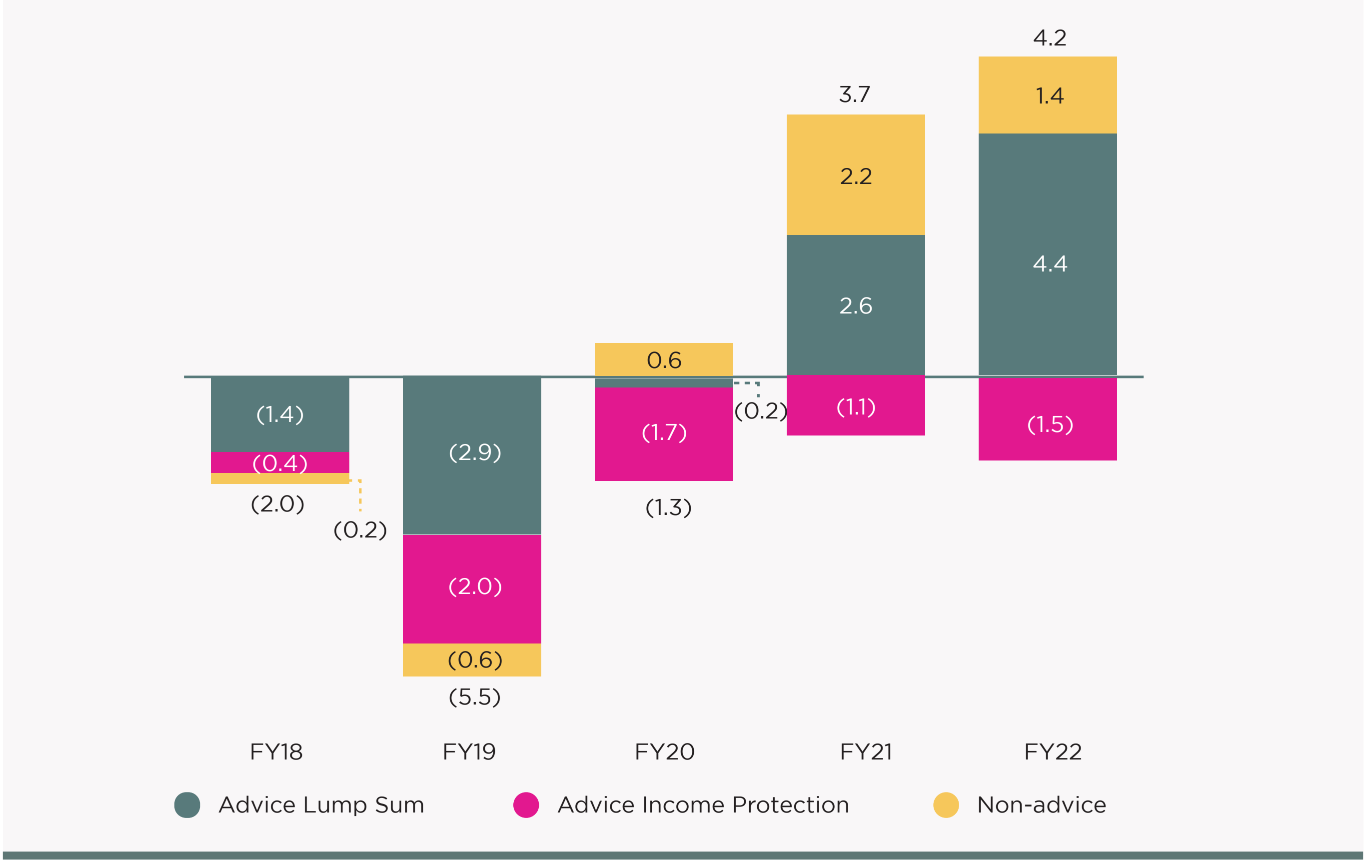
These provisions will continue to be monitored and re-assessed at each reporting period.

Lapses

The FY22 result includes a lapse experience profit (▲$4.2 million) (FY21: $3.7 million profit), compared to the expected best estimate assumptions (including an allowance for shock lapses due to the repricing of the in-force portfolios).

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

Chart 2: Lapse Experience ($M)[1]



1 Relative to the assumptions adopted in the relevant period

The FY22 lapse experience can be broken down as follows:

- ClearView advice lump sum portfolio reflects positive experience in FY22 of $4.4 million (FY21: $2.6 million positive experience);
- ClearView advice income protection portfolio reflects adverse experience in FY22 of -$1.5 million (FY21: -$1.1 million adverse experience); and
- Direct portfolios (closed to new business) reflects positive experience in FY22 of $1.35 million (FY21: $2.2 million positive experience)

The higher lapse rates previously experienced on the advice portfolios (driven by the significant pricing increases) appear to have now stabilised and reverted to long-term levels. For the year ended 30 June 2022, lapses have broadly trended towards long term best estimate assumptions, noting allowances have been made for the re-pricing of the portfolios.

There has been variances in performance between products with lower than expected lapses on lump sum products, but partially offset by lapse experience losses incurred on income protection policies. Overall favourable lapses have resulted in a positive profit impact on stepped income protection policies but offset by a negative impact for income protection level premium business.

The shock lapses related to the further premium rate increases on the LifeSolutions portfolio commencing from January 2022 appear materially lower than expected (price increases are predominantly on level premium income protection business).

Industry participants continue to increase prices on their in-force portfolios. ClearView has now completed a further six months of the repricing cycle on its LifeSolutions in-force portfolio. The implementation of a line of business structure with a dedicated retention team has reduced the impact of the pricing increases on lapse rates (over time).

There have also not been material lapses due to transfers from LifeSolutions to the ClearChoice products.

There also does not appear to be significant evidence of lapses strictly due to financial hardship associated with COVID-19. There has also not been any observed increase in take-up of premium suspension or waivers or any increase in partial lapses during the lockdown period between June and October 2021 and subsequent to the Omicron outbreak, as observed through the lapse experience in the year.

Given the dynamic and evolving nature of COVID-19, significant uncertainty remains and the impact of events that arise after the reporting period will be accounted for in the future reporting periods.

Expenses, New Business and In-Force

Life insurance operating expenses increased by 11% to $60.4 million (FY21: $54.3 million). Key areas of investment include the significant IT transformation program, claims area, risk management and compliance functions and projects (including regulatory changes and AASB 17).

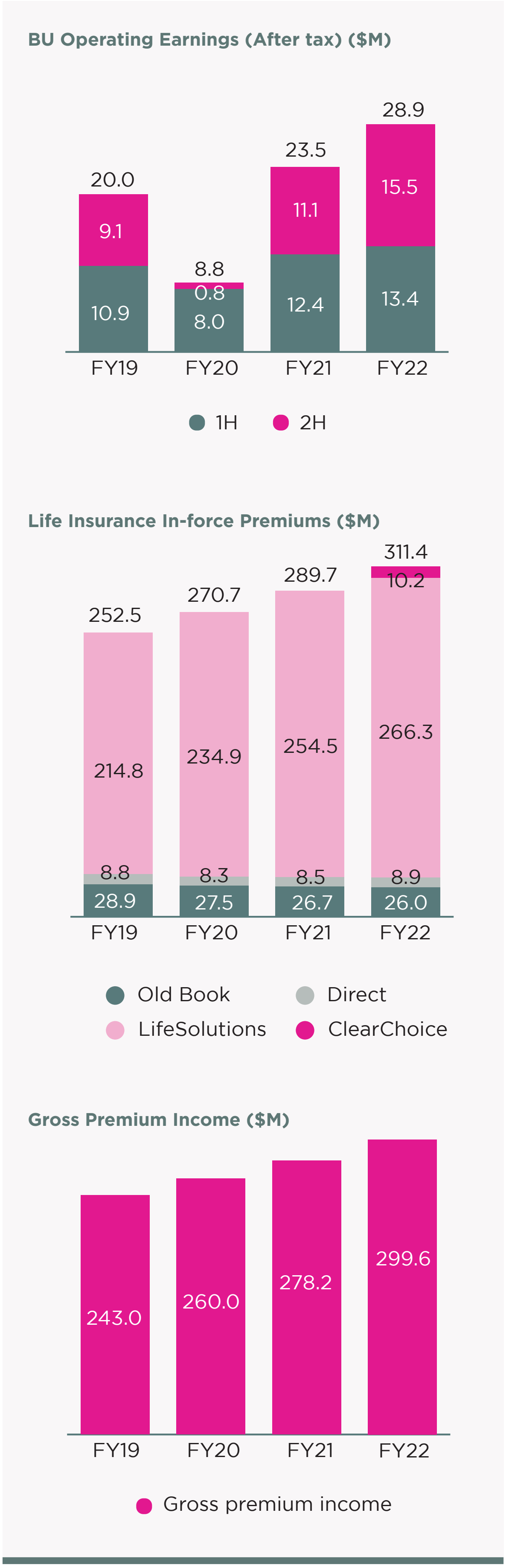
The key focus is on the successful implementation of the new PAS and progressively obtaining the efficiencies from the IT transformation as the development of the system occurs over the next eighteen month period. The migration of the in-force portfolios and related automation and simplification of back end processes will allow for the achievement of maintenance cost efficiencies. This should lead to operating leverage and improved in-force margins.

In FY22, there was a reduced non-deferred expense experience loss of $2.8 million (FY21: $6.7 million). As the business efficiencies from the IT transformation are extracted over time, and the in-force portfolio grows, this should allow the expense overruns to unwind over the medium term. The expense assumption was updated at 30 June 2021.

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

Overall new business has increased materially in the year by 24%, from $16.2 million in FY21 to $20.2 million in FY22 (of which $10.2 million is related to the new ClearView ClearChoice product).

Chart 3: Life Insurance key performance indicators



ClearView advice products are now on 795 APLs (up 2% on 777 in FY21). Formerly aligned licensees and advisers are continuing to shift to a self-licencing structure and thereby are implicitly opening their APLs, due to changing client expectations and the consolidation or closure of larger dealer groups.

- In-force premiums increased 7% to $311.4 million in FY22. The Life Insurance in-force movement is driven by the net impacts of new business, premium rate increases, lapse and CPI/aged-based variances.
- The Life Insurance in-force portfolio at 30 June 2022 is made up of ClearView ClearChoice ($10.2 million), ClearView LifeSolutions, ($266.3 million) and the closed direct portfolios ($34.9 million) .
- The mix of products making up the in-force portfolio has changed materially with the ClearView LifeSolutions and ClearChoice, now representing 89%% of total in-force premiums.
- Gross premiums increased 8% to $299.6 million.

Operating segment review

Wealth Management

The FY22 financial performance is detailed below.

Wealth Management financial result:

12 Months to June 2022 ($M)[1]	2021 1H	2021 2H	2021 FY21	2022 1H	2022 2H	2022 FY22	% Change[5]
Fund management fees	15.5	15.5	31.0	16.0	13.9	29.9	(4%)
Other income	—	0.2	0.3	—	—	—	(100%)
Funds management expenses	(4.3)	(4.3)	(8.6)	(4.2)	(3.9)	(8.1)	(6%)
Variable expense[2]	(2.5)	(2.7)	(5.3)	(2.2)	(1.9)	(4.1)	(22%)
Operating expenses	(8.3)	(8.7)	(16.9)	(8.1)	(9.8)	(17.9)	6%
BU Operating Earnings (before tax)	**0.4**	**—**	**0.4**	**1.4**	**(1.6)**	**(0.3)**	**(166%)**
Income tax (expense) / benefit	0.1	0.1	0.2	(0.3)	0.5	0.2	(20%)
BU Operating Earnings (after tax)[3]	**0.6**	**0.1**	**0.6**	**1.1**	**(1.2)**	**(0.1)**	**(112%)**
Underlying investment income	0.1	—	0.1	—	—	0.1	(42%)
Underlying NPAT[4]	**0.6**	**0.1**	**0.7**	**1.1**	**(1.2)**	**(0.1)**	**(112%)**
Wealth Project Costs	(1.5)	(1.6)	(3.1)	—	—	—	NM
Other costs	—	(0.2)	(0.2)	(0.1)	(0.1)	(0.2)	16%
Reported NPAT	**(0.8)**	**(1.7)**	**(2.5)**	**1.0**	**(1.3)**	**(0.3)**	**(90%)**

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

2 Variable 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. The intra fund advice fee ceased on transition of the traditional product to the WealthFoundations product in 2H FY22.

3 Operating Earnings (after tax) represents the Underlying NPAT[4] of the business segments before underlying investment income and interest costs associated with corporate debt and Tier 2 Capital.

4 Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalized software and leases.

5 % change represents the movement from FY21 to FY22.

Business Unit Operating Earnings After Tax[4], decreased by 112% to -$0.1 million (FY21: $0.6 million). Reported NPAT, decreased to a loss of -$0.3 million (FY21: $2.5 million loss).

Fees earned on average FUM balances are the key profit driver in the segment. ClearView does not invest directly in assets but has to date outsourced the selection and ongoing management of underlying shares and securities to third party fund managers.

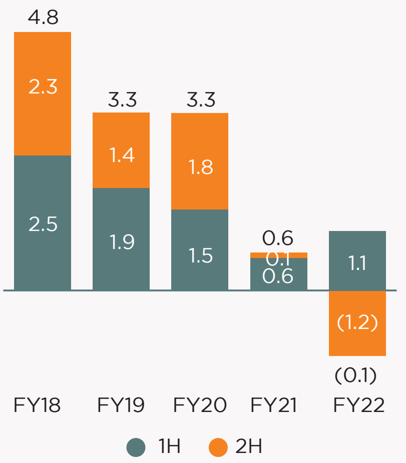
The business principally provides platform and funds management services across the following key products:

- WealthSolutions and WealthSolutions2: A superannuation and retirement income wrap designed for high net worth clients issued via the ClearView Retirement Plan (ClearView Life Nominees as trustee) and an Investor Directed Portfolio Service (**IDPS**) wrap provided by CFML. WealthSolutions2 is a white labelled product which launched on the HUB24 platform in May 2021;
- WealthFoundations: A self-directed portfolio management product suite targeted towards low-mid level accounts. Key products include superannuation and allocated pension products issued via the ClearView Retirement Plan.

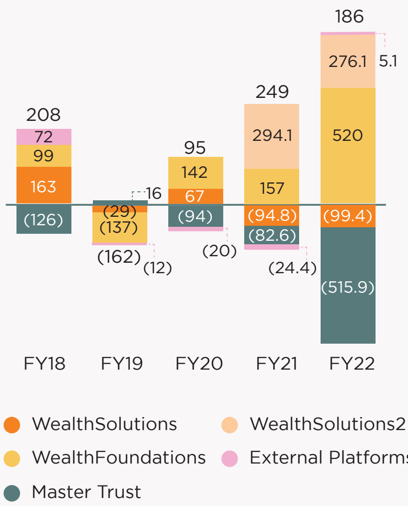
The following graphs illustrate the performance of the Wealth Management business.

Chart 5: Wealth Management key performance indicators

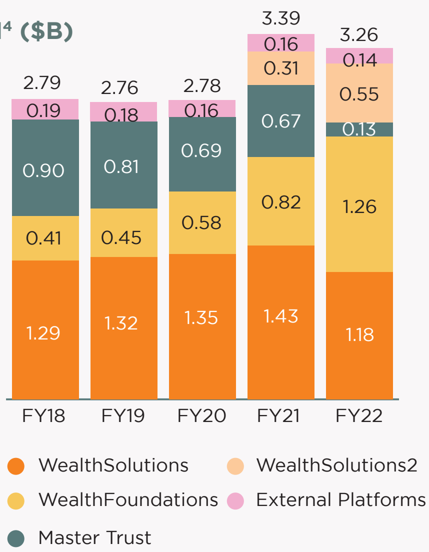
Wealth Management Operating Earnings After Tax[1] ($M)



Net Flows[3] ($M)



FUM[4] ($B)



There was an overall decrease in FUM of 3% to $3.3 billion. This includes $550 million in the recently launched WealthSolutions2 product on the HUB24 platform that is effectively a white labelled product with limited administration fee margins.

On a like for like basis, excluding the WealthSolutions 2 product, FUM has decreased 13% to $2.7 billion. The mix of products making up the FUM balances has changed materially (over time) including the more recent transition of the super and allocated pension FUM of the Master Trust (Traditional) product to the new contemporary product range (WealthFoundations) in May 2022 (circa $450 million of FUM was transitioned).

Overall fee income decreased 4% to $29.9 million and reflects these changes in business mix and margins earned. Gross fee margin[5] reduced to 0.89% (FY21: 0.99%) and net fee margin[6] reduced to 0.53% (FY21: 0.55%). This can be broken down by product as follows:

- WealthSolutions fee income fell 8% to $10.1 million (includes external platforms of $1.5 million) (FY21: $11.0 million) compared to a decrease in average FUM balances of 6%. This was adversely impacted by a reduction in the net average fee rate, reflecting the outflows and reduced FUM in ClearView model portfolios (and platform funds) and the increased platform fee cost payable to HUB24 (post transition onto the platform).
- WealthFoundations fee income increased 25% to $7.1 million (FY21: $5.7 million) compared to an increase in average FUM balances of 48%. This was driven by the positive inflows into the product (including the transition of FUM in May 2022) but partially offset by a lower average fee rate achieved, reflective of the product mix and price changes.
- The balance of ordinary money held in the Master Trust (Traditional) product is effectively a closed book. Fee income reduced to $12.6 million (FY21: $14.4 million). The super and allocated pension clients from this product were transferred to the contemporary WealthFoundations product in May 2022, effectively simplifying the product range.

1 Operating Earnings (after tax) represents the Underlying NPAT[2] of the business segments before underlying investment income and interest costs associated with corporate debt and Tier 2 Capital.

2 Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases.

3 Inflows less redemptions into FUM but excludes management fees outflow.

4 Funds Under Management (ClearView Traditional Product (Master Trust), WeathFoundations and MIS), Funds Under Administration on the HUB24 platform including white labelled WealthSolutions 2 product and FUM in ClearView MIS platform funds on external platforms.

5 Gross fee margin is calculated excluding administration fees on WealthSolutions2 product. Includes FUM on WealthSolutions2 product in ClearView model portfolios.

6 Net fee margin is calculated as gross fee margin less asset management, custody and platform expenses payable. Includes intra fund advice fee on Master Trust (Traditional) product.

- Given the structure of the WealthSolutions2 product on the HUB24 platform, it is excluded from the fee analysis and is not considered material to the segment performance in FY22. The use of the ClearView model portfolios and platform funds on the HUB24 platform is a key driver for the profitability of the wrap product with the under performance of the models impacting on flows during the year under review.

The operating expenses increased 6% in FY22 and was predominantly driven by the costs incurred to transition and simplify the product suite.

ClearView had set clear objectives in FY22 that included:

- The transition of the Master Trust (Traditional) product to the WealthFoundations superannuation and pension business and effectively reopen the portfolio as a contemporary product; and
- Investment in a new digitised front end (and customer engagement tool) for the WealthFoundations product to improve the customer experience and ease of doing business (to be launched in Q1 of FY23).

Looking forward, in FY23, the reduction in the wealth management fees will continue to be impacted by:

- the annualised effect of the repricing of the Master Trust (traditional) product and transition to contemporary product; and
- Change in margin and revenue from the HUB24 transaction

These fee reductions are likely to be partially offset by:

- A reduction in custody costs and asset management in line with the change in product structure;
- The intra fund advice fee that is no longer payable on transition of the Traditional product; and
- Simplification of the wealth management business leads to cost base reductions, coupled with digitisation of wealth front end to generate increased flows.

The Wealth Management business has faced strong headwinds as the investment markets were impacted by negative sentiment (amidst rising interest rates and concerns about the global economy). Despite this, significant progress has been made in the simplification transformation that commenced a few years ago and the business is now in a position to consider how best take the Wealth Management business forward. This review is currently underway with further information to be provided in due course.

Operating segment review

Listed/Group segment

The FY22 financial performance is discussed below.

Listed /Group segment result:

12 Months to June 2022 ($M)[1]	2021 1H	2021 2H	FY21	2022 1H	2022 2H	FY22	% Change[2]
Other income	–	–	–	–	0.7	0.7	Large
Operating expenses	(0.7)	(0.4)	(1.2)	(0.7)	(0.8)	(1.6)	35%
BU Operating Earnings (before tax)	**(0.7)**	**(0.4)**	**(1.2)**	**(0.7)**	**(0.2)**	**(0.9)**	**(23%)**
Income tax (expense) / benefit	–	–	–	0.1	(0.1)	0.1	Large
BU Operating Earnings (after tax)[3]	**(0.7)**	**(0.4)**	**(1.2)**	**(0.6)**	**(0.2)**	**(0.8)**	**(28%)**
Net underlying investment income	(0.7)	(1.3)	(1.9)	(1.3)	(1.2)	(2.5)	30%
Equity accounted investment in minority interest (Financial Advice)	–	–	–	0.2	0.3	0.5	Large
Underlying NPAT[4]	**(1.4)**	**(1.7)**	**(3.1)**	**(1.6)**	**(1.1)**	**(2.8)**	**(9%)**
Impairments	–	–	–	(0.8)	–	(0.8)	NM
Sale of Advice Business	–	–	–	11.8	(0.3)	11.5	NM
Strategic Review Costs	–	–	–	(2.0)	(0.4)	(2.4)	NM
Other costs	–	–	–	–	–	–	NM
Reported NPAT	**(1.4)**	**(1.7)**	**(3.1)**	**7.4**	**(1.8)**	**5.5**	**(272%)**

The segment financial results for the year ended 30 June 2022 are shown in the table above. Business Unit Operating Earnings After Tax[3], increased by (28%) to -$0.8 million (FY21 :-$1.2 million) and Reported NPAT to $5.5 million (FY21: -$3.1 million loss).

This segment includes the equity accounted earnings from the strategic holding in Centrepoint Alliance, the investment earnings on cash and investments held in the listed, central services entities and in the shareholders' fund of CLAL, less costs associated with maintaining a listed entity and interest expense on corporate debt.

Underlying Investment Income, Listed Expenses and Corporate Debt

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

Given that the majority of the capital under the ICAAP is held within the operating segments of the Group, the benefit of any increased underlying earning rate for the Group as a whole, is reported as part of the underlying earnings of the operating segments. Higher interest rates (in particular changes in Bank Bill Swap Rates (**BBSW**)) impacts the listed segment via the interest expense on corporate debt that is discussed in further detail below.

Investment earnings reflect the changes in interest rates between periods, noting the more recent material increases in interest rates.

Interest expense on corporate debt relates to loan establishment and interest costs on the Debt Funding Facility. As at 30 June 2022, ClearView had drawn down $16 million under the Debt Funding Facility. Interest expense recognised for the year was $0.7 million (FY21: $0.8 million).

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

2 % change represents the movement from FY21 to FY22.

3 Operating Earnings (after tax) represents the Underlying NPAT[4] of the business segments before underlying investment income and interest costs associated with corporate debt and Tier 2 Capital. Costs associated with the incurred claims treaty are reflected as part of reinsurance costs.

4 Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalized software and leases.

On 5 November 2020, the Company issued $75 million subordinated, unsecured notes to wholesale investors. These are unsecured, subordinated debt obligations of the Company. Interest accrues on at a variable rate equal to the three-month BBSW plus a margin of 6% per annum, until maturity, payable quarterly in arrears. The maturity date of the subordinated debt is 5 November 2030.

Interest expense recognised for the year was $4.7 million (part of which is reported in the Life Insurance segment). The Company utilised $30 million of the proceeds of the Notes for regulatory capital purposes for its regulated life insurance entity.

The Company capitalised directly attributable costs associated with the issuance of the subordinated debt, which which are carried at $1.1 million as at 30 June 2022. These costs are amortised on a straight-line basis of 5 years ($0.3 million in FY22).

Other income relates to PI insurance recoveries for the financial advice business that was not previously booked, with amounts received from the insurer in FY22 ($0.6 million).

The costs associated with maintaining a listed entity include directors fees, investor relations expenses, insurance, audit fees and other related costs. Listed expenses recognised for the year was $1.6 million (FY21: $1.2 million).

Investment in Associate

On 25 August 2021, ClearView announced the sale of its financial advice businesses. The businesses were sold on 1 November 2021 to Centrepoint Alliance, in exchange for $3.2 million in cash (subject to a net asset adjustment) and the acquisition of a strategic 24.5% stake in Centrepoint Alliance.

The Group recognised a gain on sale of $11.7 million on the transaction. The gain on sale is reflected net of costs related to the sale of $1.7 million (after tax). $0.2 million of transactions costs were incurred in relation to the acquisition of the 24.5% interest in Centrepoint Alliance. An impairment of $0.8 million in relation to the reduced head count associated with the Sydney head office has also been recognised.

Statement of financial position

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

Net assets at 30 June 2022 increased to $481.1 million (30 June 2021: $459.4 million) and net asset value per share (including ESP loans)[1] of 74.5 cents per share (30 June 2021: 72.3 cents per share).

ClearView is capitalised with Common Equity Tier 1 capital and Tier 2 capital. The shareholder view of the Balance Sheet at 30 June 2022 reflects:

- Shareholder cash and investments position of $504.1 million - shareholder capital is conservatively invested in the large institutional Australian banks and a specialist investment mandate has been entered into with PIMCO. The investment mandate retains a focus on a strong and conservative capital position, but with appropriate asset/liability matching.
- Net cash and investments position of $414.2 million, with $16 million drawn down under the Debt Funding Facility and $73.9 million Tier 2 subordinated debt (net of costs).
- The equity accounted investment in Centrepoint Alliance, with a carrying value of $13.7 million.
- Goodwill of $12.5 million arising on acquisition of Matrix that was allocated across the Life Insurance ($4 million) and Wealth Management ($8.5 million) cash generating units. 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. No account is taken of future new business in the embedded value calculations.
- Intangibles includes $17.4 million of capitalised software costs, of which ClearView has to date, recognised $11.9 million (2021: $3.5 million) as intangible assets in respect of customisation and configuration costs incurred in implementing SaaS arrangements for the new PAS. These intangible assets are amortised on a straight-line basis with the new PAS being amortised over the useful life of 10 years. As at 30 June 2022, the accumulated amortisation of $0.6 million (30 June 2021: nil) has been recognised for the new PAS as it has been brought into use since October 2021.
- The life insurance policy liability decrease reflects the change in the life insurance business (**DAC**) and interest rate effects between periods and implementation of incurred claims treaties. Past policy acquisition costs of $370.9 million are reflected on Balance Sheet and this asset converts to cash as future premiums are collected (subject to lapse risk). This asset is not counted for regulatory capital purposes under the APRA capital standards.
- As at 30 June 2022, the Group held a receivable amount from CRP of $3.3 million (30 June 2021: $9.0 million) net of a provision of $0.6 million. It is expected that the receivable amount will be recoverable in the foreseeable future as CRP continues to generate future taxable income. The recoverability of the receivable from CRP will continue to be assessed at each reporting period.

1 ESP loans are a limited 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 75 cents per share at 30 June 2022, of the remaining 18.1 million ESP shares on issue (and included in the total shares on issue of 661.1 million), 13.4 million ESP shares are considered to be in the money with a ESP loan recoverable balance of $8.0 million. 4.7 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 656.4 million shares. As such, $8 million of ESP loans have been added to the net assets and 656.4 million shares on issue have been used for the purposes of calculating the net asset value per share. On a fully diluted basis, net of treasury shares, a further 7.3 million performance and restricted rights can be converted into ordinary shares - these have been excluded for the purposes of the calculation.

Capital position

The following charts reflect the net capital position of the Group as at 30 June 2022:

Chart 6: Capital position as at 30 June 2022 by segment and regulated entity

	Life	Wealth	Other	APRA Regulated Entities	Wealth	ASIC Regulated Entities	All Regulated Entities	NOHC[5]/ Other	Group
	$M	$M	$M	$M	$M	$M	$M	$M	$M
Net assets at 30 June 2022[1]	458.1	10.9	4.3	473.3	7.8	7.8	481.1	—	481.1
Intangible adjustments[2]	(14.1)	(2.7)	—	(16.8)	(0.5)	(0.5)	(17.3)	(16.6)	(33.9)
Net assets after intangible adjustments	**444.0**	**8.2**	**4.3**	**456.5**	**7.3**	**7.3**	**463.8**	**(16.6)**	**447.2**
Capital Base Adjustment:									
Deferred Acquisition Costs (DAC)	(370.9)	—	—	(370.9)	—	—	(370.9)	—	(370.9)
Tier 2 Capital[6]	30.0	—	—	30.0	—	—	30.0	45.0	75.0
Other Adjustments to Capital Base	(1.0)	—	—	(1.0)	—	—	(1.0)	(0.3)	(1.3)
Regulatory Capital Base	**102.2**	**8.1**	**4.3**	**114.6**	**7.2**	**7.2**	**121.8**	**28.2**	**150.0**
Prescribed Capital Requirement[3]	(42.1)	(3.4)	(3.3)	(48.7)	(5.0)	(5.0)	(53.7)	—	(53.7)
Available Enterprise Capital	**60.2**	**4.7**	**1.0**	**65.9**	**2.2**	**2.2**	**68.1**	**28.2**	**96.2**
Enterprise Capital Benchmark (ECB)[3]									
Working Capital	(0.5)	—	—	(0.5)	—	—	(0.5)	—	(0.5)
Risk Capital[4]	(53.1)	(2.9)	—	(56.1)	(1.3)	(1.3)	(57.4)	(12.5)	(69.9)
Net capital position	**6.5**	**1.7**	**1.0**	**9.3**	**0.9**	**0.9**	**10.2**	**15.7**	**25.8**

1 Net Assets as at 30 June 2022 excluding Employee Share Plan Loans. Net assets include the deferred acquisition costs (DAC) component of insurance policy liabilities and right of use asset arising from leases.

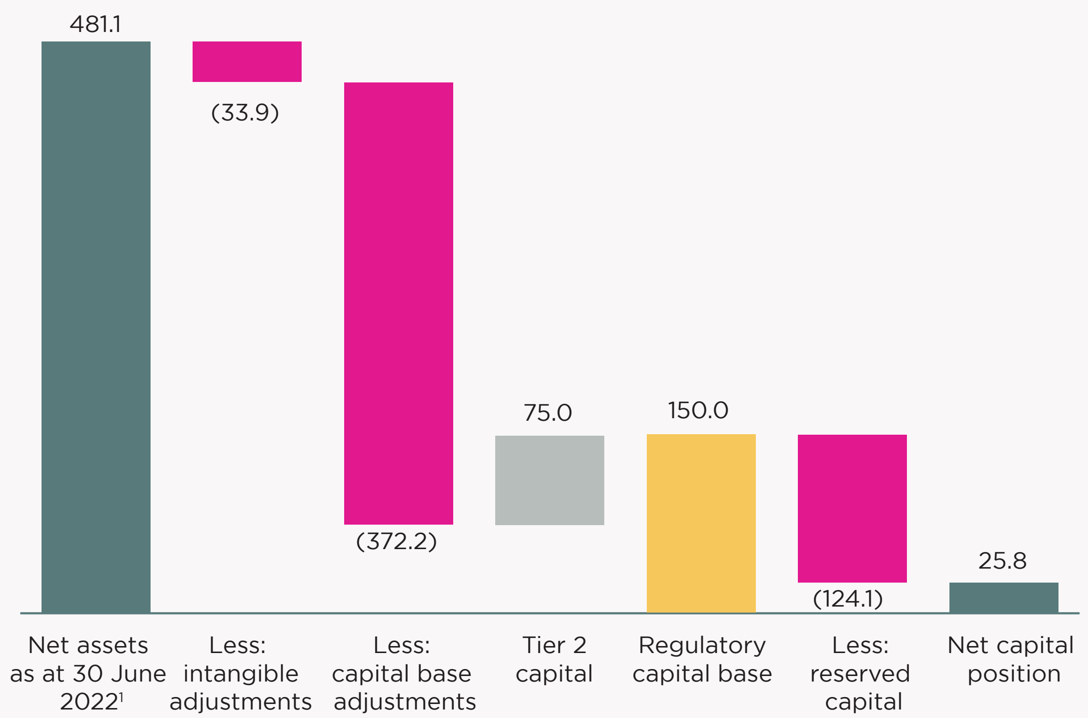
2 Intangible adjustments relate to goodwill, acquired intangibles and capitalised software. It also includes the removal of the CRP receivable of $2.9 million for capital purposes and $1.1 million of capitalised costs in relation to the Tier 2 capital raising.

3 Reserved capital includes the minimum regulatory capital, APRA supervisory adjustment for ClearView Life as part of IDII sustainability measures, risk capital which is additional capital held to address the risk of breaching regulatory capital and a working capital reserve ($0.5m at 30 June 2022) held to support the capital needs of the business beyond the risk reserving basis

4 As at 30 June 2022, risk capital is held in regulated entities at 97.5% probability of adequacy (POA). Risk capital at 99% POA is held in the NOHC[5]

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

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



1 Net Assets as at 30 June 2022 excluding ESP Loans. Net assets include the deferred acquisition costs (DAC) component of insurance policy liabilities.

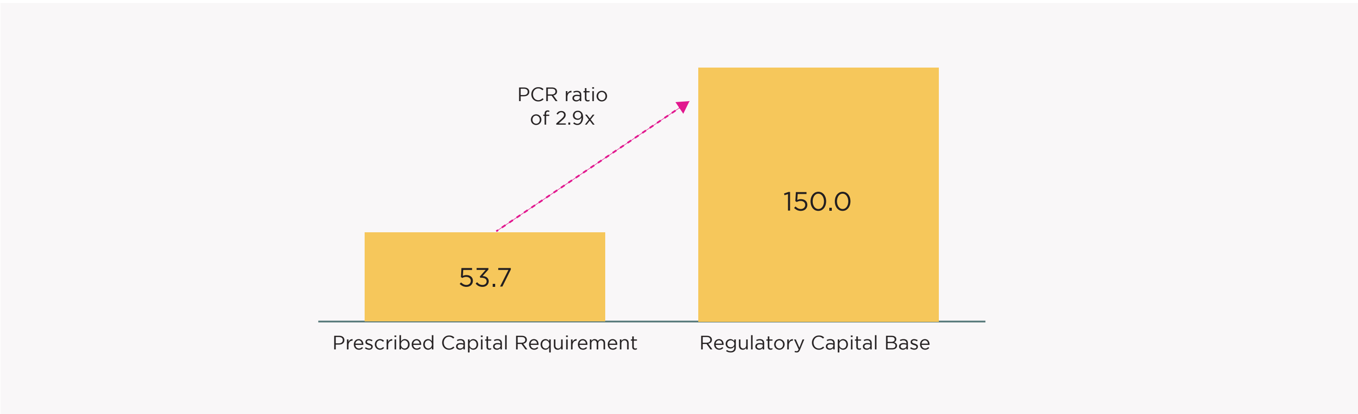
The net surplus capital position of the Group above internal benchmarks is $25.8 million at 30 June 2022 and represents an increase of $11.5 million since 30 June 2021. The capital position reflects:

- The net assets of $481.1 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 $33.9 million are deducted from the net assets and relate to Goodwill ($12.5 million), Capitalised Software ($17.4 million), Receivable from the CRP ($2.9 million) and costs associated with Tier 2 raising ($1.1 million).
- Capital base adjustments remove the deferred acquisition costs ($370.9 million) and deferred tax assets ($1.3 million) that are included in the net asset position but are not permitted to be counted in the regulatory capital base under the APRA capital standards;
- The Tier 2 subordinated debt is incorporated into the capital base in accordance with the APRA capital standards ($75 million). The costs associated with the raising have been deducted as part of the Intangible adjustments.
- This results in a Group regulatory capital base, calculated in accordance with the APRA capital standards of $150.0 million.
- Reserved capital of $124.1 million includes the minimum regulatory capital that is required under the APRA capital standards (called the prescribed capital amount), the APRA supervisory adjustment for CLAL as required by APRA as part of the IDII sustainability measures, and risk capital which is additional capital held to address the risk of breaching regulatory capital (where the regulatory capital cannot be readily accessed and to protect the various regulated entities' regulatory licence) in accordance with the ClearView's internal capital adequacy process. 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.

- Risk capital also includes an amount held as a working capital reserve ($0.5 million as at 30 June 2022) that is held to support the future capital needs of the business beyond the risk reserving basis. This working capital reserve is then released as the negative cash flows arise, after which time the underlying business becomes self funding (from FY24).
- The surplus capital position and future business capital generation is anticipated to fund the net capital expenditure impacts of the investment in the new PAS (relative to the quantum that could be permissible to be counted for capital purposes). ClearView also has access to the Debt Funding Facility, to the extent further funding is required. The Debt Funding Facility is repayable on 1 April 2024.
- ClearView has implemented an incurred claims treaty for lump sum and income protection business, where claims (including reserve components) are paid when a claim is incurred which reduces the concentration risk exposure. There is no Asset Concentration Risk charge under LPS 117 relating to the Swiss Re exposure as at 30 June 2022.
- As a result of limits under the incurred claims treaty, as previously reported, ClearView has the ability to re-implement the irrevocable letter of credit issued by a major Australian bank on behalf of Swiss Re. ClearView has increased the dollar limit on the letter of credit back to $70 million (with effect from 30 June 2022), as an additional risk mitigation over the medium term to further reduce any likelihood of concentration risk exposure.
- Fitch assigned ClearView a Long-term Issuer Default Rating (**IDR**) of 'BBB'. At the same time, Fitch assigned ClearView's operating subsidiary, ClearView Life, an Insurer Financial Strength Rating (**IFS**) of BBB+. The outlooks for both ratings are stable and were reaffirmed as 'stable'.

The Group has a PCR capital coverage ratio of 2.9X at 30 June 2022, reflecting the strength of the overall capital position of the Group.

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 Operating Earnings After Tax[1]. This dividend policy has been set (subject to available profits and financial position) to consider regulatory requirements and available capital within the Group.

Operating Earnings represents the Underlying NPAT[2] of the business before underlying investment income and interest costs associated with corporate debt and Tier 2 Capital and takes into account the impact on earnings of the interest rate environment and change in capital structure of the business (through the successful issuance of $75 million subordinated notes in FY21).

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

The Board continues to seek to:

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

A FY22 fully franked final cash dividend of 2 cents per share has been declared (FY21: 1 cent) and represents an increase of 100% on the prior year.

Consideration of the overall capital position of the Group, the economic uncertainty, the further potential impacts from COVID-19 and the growth and investment phase of the business (including the material investment in the new PAS) was taken into account in setting the dividend payment, with the FY22 final dividend representing just under 47% of Operating Earnings After Tax[1] (FY21: 30%). This reflects an element of conservatism and is around the mid point of the range of the target payout ratio.

10/12 limit on market buy back

ClearView has a Board approved 10/12 limit on market buy-back program in place until December 2022. Existing buy-back arrangements continue to apply and Blue Ocean Equities Pty Limited is the appointed broker for the program. Since January 2014, the total number of shares bought back and cancelled under the scheme is 1,208,824 and there were no shares bought back and cancelled in the year ended 30 June 2022.

Selective buy-back of Executive Share Plan shares

At the ClearView 2021 Annual General Meeting in November 2021, Shareholders approved a selective buy-back of Executive Share Plan (**ESP**) Shares from Contractor Participants. 6,671,737 ESP shares were selectively bought back and cancelled on the terms outlined in the ClearView AGM Notice of Meeting,

In addition, 1,646,725 ESP shares from Employee Participants were also bought back and cancelled in the year ended 30 June 2022.

1 Operating Earnings (after tax) represents the Underlying NPAT[2] of the business segments before underlying investment income and interest costs associated with corporate debt and Tier 2 Capital. Costs associated with the incurred claims treaty are reflected as part of reinsurance costs.

2 Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases.

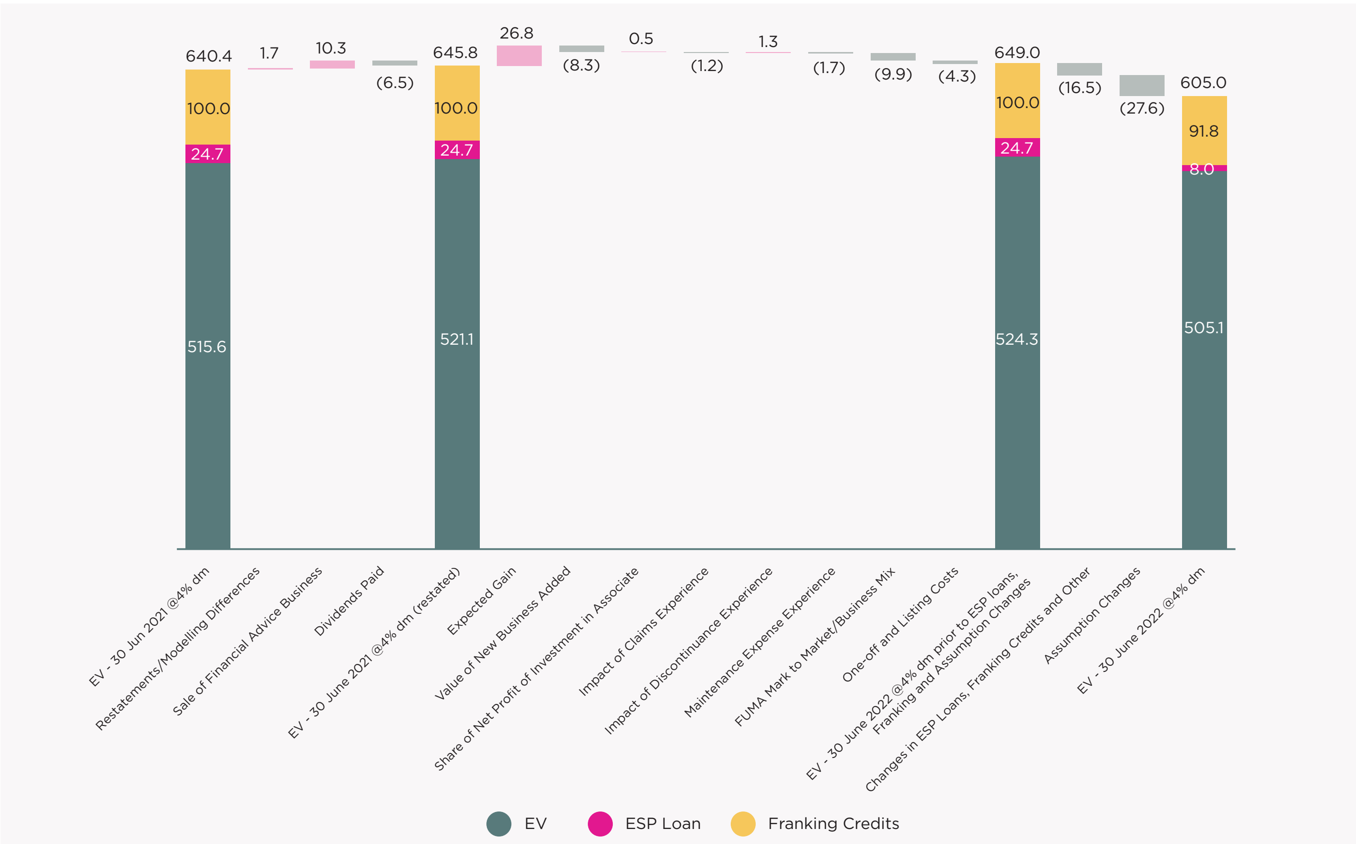
Life Insurance and Wealth Management are long-term businesses that involve long-term contracts with customers and complex accounting treatments. Embedded Value (**EV**) represents the discounted value of the future net cash flows anticipated to arise from the in-force life policies and investment client balances as at the valuation date.

Given the material movement in long-term rates in the latter part of the financial year, the risk free rate that has been adopted for the purposes of the Embedded Value (**EV**) calculations at 30 June 2022 has been increased to 3.5% (FY21: 2%). This is discussed in further detail below.

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

Risk margin over risk free rate: ($M), (unless otherwise stated)	3% dm	4% dm	5% dm
Life insurance	487.4	456.9	429.8
Wealth management	36.3	34.4	32.7
Value of In Force (VIF)	**523.8**	**491.3**	**462.4**
Net worth	13.8	13.8	13.8
Total EV	**537.6**	**505.1**	**476.2**
ESP Loans	8.0	8.0	8.0
Total EV including ESP Loans	**545.6**	**513.1**	**484.2**
Franking Credits @ 70%:			
Life Insurance	72.7	68.4	64.5
Wealth Management	8.7	8.2	7.7
Net worth (accrued franking credits)	15.3	15.3	15.3
Total Franking Credits	**96.6**	**91.8**	**87.6**
Total EV including ESP loans and franking credits	**642.2**	**605.0**	**571.8**
EV per Share including ESP Loans (cents)	**83.1**	**78.2**	**73.8**
EV per Share including ESP Loans and Franking Credits (cents)	**97.9**	**92.2**	**87.1**

Chart 9: EV movement waterfall



The key movements in the EV between 30 June 2022 and 30 June 2021 are described in detail below. The restatement of the 30 June 2021 relates to the net impact of model changes.

Sale of Financial Advice Business (+$10.3 million)

Overall positive impact from the sale of the financial advice business of +$10.3 million:

- The Group recognised a gain on sale of $11.3 million on the transaction. The gain on sale is reflected net of costs related to the sale of $1.7 million (after tax).
- $0.2 million of transactions costs were incurred in relation to the acquisition of the 24.5% interest in Centrepoint Alliance.
- An impairment of $0.8 million in relation to the reduced head count associated with the Sydney head office has also been recognised given the reduction in head count post the sale of the businesses.

FY21 Final Dividend (-$6.5 million)

- The EV is reduced by the final FY21 cash dividend (-$6.5 million) that was paid in September 2021.
- A fully franked FY22 cash dividend of $13.3 million has been declared and will be paid subsequent to year end.
- The earnings from Centrepoint Alliance were equity accounted for the eight month period from the date of completion being 1 November 2021. This has been separately reflected in the movement between periods.

Expected Gain (+$26.8 million)

Expected gain represents the expected unwind of the discount rate within the value of in-force and investment earnings on net worth, net of interest costs on corporate debt (amounts drawn down under the debt facility and the Tier 2 subordinated notes).

Value of New Business (-$8.3 million)

The value added by new business written (VNB) over the period is -$7.0 million for the Life Insurance segment and -$1.3 million for the Wealth Management segment.

- The life insurance value of new business in FY22 is suppressed by the acquisition costs incurred relative to the new business volumes achieved.
- ClearView has an actionable growth strategy built off a transformation program that is starting to take effect.
- Overall new business has increased materially in the year by 24%, from $16.2 million in FY21 to $20.2 million in FY22.
- New business volumes over the last few years have been adversely impacted by broader market trends as noted earlier in the report.
- ClearView's more recent strategic focus has primarily been on customer retention rather than on new business sales (reinforced by the impact of COVID-19). While retention initiatives remain in place, the focus from FY22 has now shifted back to sales, underpinned by the launch of the new ClearView ClearChoice product in 1H FY22, supported by the implementation of a new PAS.
- The new ClearView ClearChoice product is expected to benefit from the broader reset of the industry, an increased focus on sustainability, improved margins and a return to pricing rationality in the market over time.
- The profitability of income protection business for the industry as a whole is expected to improve given the launch of new products from October 2021 in line with the APRA IDII sustainability measures.
- ClearView has established a diversified distribution network with over 700+ dealer groups comprising of 4,000+ advisers. Historically, ClearView has demonstrated that it has the ability to capture circa 10% of the IFA life insurance market as demonstrated by its historical track record.
- The material investment in establishing URE/straight through processing pathways based on expected client and adviser shifts is a key component of achieving acquisition cost efficiencies, coupled with a return to historical levels of new business volumes.
- The VNB is therefore expected to improve (over time) given increased new business volumes, improved income protection margins from the product redesign and pricing, coupled with acquisition and underwriting cost efficiencies (as the further development of the new PAS is implemented).
- The Wealth Management segment VNB was negative in FY22 (-$1.3 million), noting that the business has a simplification focus coupled with the digitisation of the front end (including customer engagement) that should lead to cost efficiencies and increased flows into its core product range over time.

Life Insurance Claims (-$1.2 million)

Life Insurance claims experience impact of -$1.2 million.

- Continued positive underlying claims performance (relative to assumptions), as noted earlier in the report (+$3.4 million) - there has been a material improvement from FY21.

- An uplift in claims capability - a new team structure, education pathways and capability framework have been put in place.
- Material changes to the claims assumptions have been made over time given the historical poor performance of income protection claims across the industry (driven by underpricing and generous benefits that have not kept up with societal trends).
- The new product, ClearView ClearChoice, also deals with 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.
- Further changes have been made to the lump sum actuarial assumptions at 30 June 2022 as noted earlier in the report. These changes had an adverse -$2.5 million impact on the claims performance in FY22.
- It is currently unclear on what the impact of Long COVID-19 will be in Australia, where vaccination rates are higher and infections have been predominantly related to the Omicron strain.
- Given the uncertainty, the IBNR claims provision has been increased as at 30 June 2022 to allow for this risk, as well as some possibility of reopened income protection claims as noted earlier in the report.
- It also includes a potential short term impact due to increased flu deaths on the legacy portfolio (mainly older lives) during the 2022 winter months.
- This provision had an overall -$2.1 million adverse impact on the claims performance in FY22.
- See further commentary on claims experience for the year on page 33.

Lapses and Discontinuances (+$1.3 million)

Life Insurance lapse experience impact of +$2.0 million.

- The higher lapse rates previously experienced on the advice portfolios (driven by the significant pricing increases) appear to have now stabilised and reverted to long-term levels.
- There has been variances in performance between products. Overall favourable lapses have resulted in a positive profit impact on stepped policies but a negative impact for level premium business.
- The expected shock lapses related to the further premium rate increases on the LifeSolutions portfolio commencing from January 2022 appear materially lower than expected.
- The implementation of a line of business structure with a dedicated retention team has reduced the impact of the pricing increases on lapse rates (over time). In FY22, these lapse rates continued to reflect an improved trend.
- See further commentary on lapse experience on page 35.

Wealth Management discontinuance experience impact of -$0.7 million.

- For the Wealth Management business, discontinuance rates (outflows) were higher than expected, driven by outflows in the WealthSolutions product (and related reduction in use of the model portfolios and platform funds as a proportion of FUM balances). The discontinuance rate has been increased in the EV calculations to reflect this.
- As a result of the successful simplification of the product range in May 2022 (transition of Master Trust super and pension business to WealthFoundations), the WealthFoundations outflow assumption represents a blended rate with experience being closely monitored as the post-transition experience unfolds.
- The remaining ordinary Master Trust business discontinuance assumption has been lowered as these products have historically experienced lower discontinuances.

Maintenance Expenses (-$1.7 million)

Life Insurance maintenance expense experience in FY22 (-$0.6 million).

- The PAS program of work initially prioritised the delivery of the adviser facing experience.
- After go-live of the new PAS in October 2021 (to coincide with the launch of the new ClearView ClearChoice product), given the initial implementation timeline and impacts from COVID-19 disruptions, the focus has now shifted to build out and enhance the functionality to move to a position of increased stability.
- Whilst the overall project has been delayed, a new operating model is in the process of being implemented with the achievement of cost efficiencies expected over time (as and when the further development of the platform is rolled out). The key components of the development is expected to be materially completed over an 18 month period (with migration of the in-force policies to occur thereafter).
- The migration of the in-force portfolios and related automation and simplification of back end processes will allow for the achievement of maintenance cost efficiencies. This should lead to operating leverage and improved in-force margins.

- The key focus is therefore on the successful implementation of the new PAS and obtaining the efficiencies from the IT transformation.
- The actual overrun is reflected relative to the expected overruns that were included in the EV calculations.

Wealth Management maintenance expense experience in FY22 (-$1.2 million).

- The current cost base in Wealth Management reflects the costs associated with the internal contemporary platform and WealthFoundations product that is yet to achieve scale relative to the stepped fixed cost nature of the business.
- Simplification of the wealth management business leads to cost base reductions, coupled with digitisation of wealth front end to generate increased flows. Costs are expected to reduce progressively as the simplification process is implemented.
- The present value of projected maintenance expense overruns has been included as an offset and within the EV calculations as at 30 June 2022. The actual overrun is reflected relative to the expected overruns that are now included in the EV calculations.

Investment Performance, FUM and Business Mix impacts (-$9.9 million)

Wealth Management FUM and business mix experience impact of -$7.2 million.

- The positive investment performance, partially offset by changes in the mix of businesses, resulted in higher FUM balances relative to expectations and a higher present value of future fees at the end of the period.
- The change in business mix however was driven by a material reduction in the use of the model portfolios and platform funds as a proportion of FUM balances.
- The transition of the Master Trust product to WealthFoundations (and related margin impacts) has been allowed for in the EV calculations.

Investment return impact relative to underlying earning adopted in the EV calculations of -$2.6 million.

- The actual experience in EV calculations as at 30 June 2022 were impacted by the underlying earning rate on the investment portfolio in FY22 (versus the long term earning rate previously adopted of 2%). The underlying earning rate only increased materially in the last quarter of the financial year.

Other Expense Impacts (-$4.3 million)

Overall adverse net expense impact of -$4.3 million that is not allowed for in the EV calculations:

- The Group's listed overhead costs for the year (-$1.0 million after tax).
- Costs considered unusual to the ordinary activities including those recognised in relation to the strategic review, duplicate IT system costs and the Freedom direct remediation program (-$3.3 million).

Change in assumptions (-$27.6 million)

Net impact of increase in risk free rate adopted to 3.5% (from 2%) (-$18.8 million).

- Given the material movement in long-term rates in the latter part of the financial year, the risk free rate that has been adopted for the purposes of the Embedded Value calculations at 30 June 2022 has been increased to 3.5% (FY21: 2%). This increases the discount rate used for EV purposes (risk free rate plus risk margin), which reduces the EV calculations.
- Simultaneously, the long term earning rate for the capital backing the Life Insurance and Wealth Management businesses, is also increased, thereby increasing the EV calculations.
- There is a further offsetting impact from the change in the risk free rate adopted. The reserving in the projection for future income protection claims is done at a higher risk free yield curve, thereby reducing the claims costs and increasing the EV calculations.
- The EV calculations also allow for an assumed take up rate of CPI on policy renewal. The assumption has been updated in the EV calculations based on actual experience and likely projected outcomes.
- The net impact of both these changes has had an adverse effect on the EV calculations of -$18.8 million at 30 June 2022.

Net impact of change in claims (including allowances for COVID-19) and shock lapse assumptions (-$3.5 million).

- Further changes have been made to the lump sum actuarial assumptions at 30 June 2022 as noted above. These changes had an adverse -$2.1 million impact on the future claims costs included in the EV calculations.
- ClearView has considered the impact of COVID-19 on its claims assumptions. The COVID-19 provisions previously held only applied up to FY22, with no allowances post 30 June 2022.

- It was initially expected that an indirect impact on mortality and morbidity from COVID-19 due to economic downturns was likely to outweigh the direct impact (that is, a medical condition caused directly by COVID-19).
- In light of the current job market and low unemployment rate, it has been considered appropriate to continue to not hold any claims allowances for the indirect (economic) impact from COVID-19. This will continue to be closely monitored given changes in the interest rate environment and likely stress on the economy.
- However, claims allowances have now been made at 30 June 2022, for the direct (that is, medical) impact from COVID-19. This had an overall impact on the EV calculations of -$0.5 million.
- The EV calculations includes the staggered price increases expected across the life insurance portfolio as noted earlier in the report.
- Shock lapse assumptions have been included in the EV calculations, incorporating the effects of these price increases (over a period of time). The shock lapse assumption is aligned to the timing of the staggered price increases. These have been updated as at 30 June 2022 that had an overall impact on the EV calculations of -$0.9 million.
- The EV calculations for the Wealth Management business include assumptions around the proposed product structure changes, in particular on pricing changes to the traditional products. The impact on margin earned on the administration fee post transition of the wrap platform to HUB24, has also been built into the EV calculations.

Net impact of present value of expense overruns (-$5.5 million).

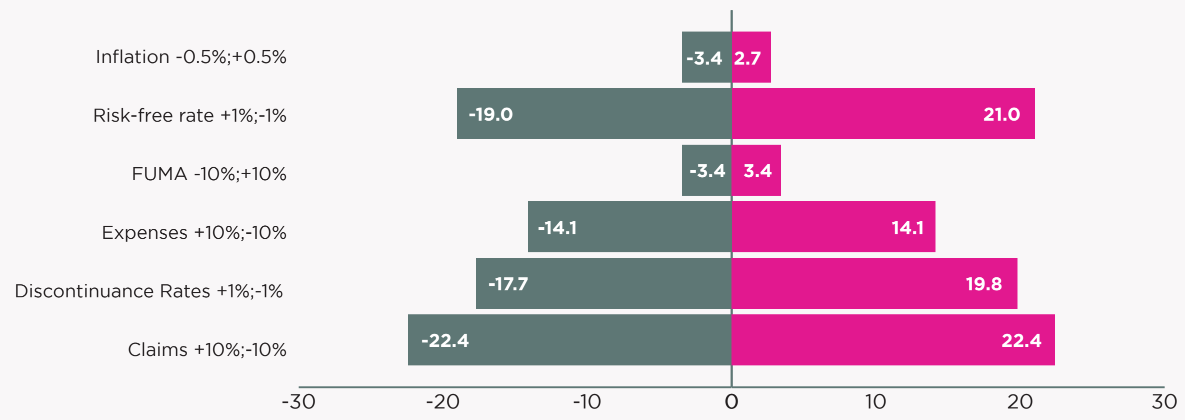
- The present value of projected maintenance expense overruns has been included as an offset and within the EV calculations as at 30 June 2022.
- Given the delay in the implementation of the new PAS over an eighteen month period, the present value of the expense overruns has been further updated at 30 June 2022). This had an overall impact on the EV calculations of -$5.5 million (including the estimated future costs of migration and duplicate systems costs).

Other, Franking credit and ESP loan changes (-$16.5 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 FY21 fully franked dividend.
- Given non-recourse nature of the ESP loans, $8.0 million is considered as part of the EV calculations at 30 June 2022 (ESP loans have been valued at issue price per ESP share)[1]. This includes the reduction in the ESP loan balances from the repayment of contractor loan participants ESP loans post the sale of the financial advice businesses.
- Other includes the net impact from other modelling changes, enhancements and related in FY22.

1 ESP loans are a limited 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 at 30 June 2022 of [75] cents per share, of the remaining 18.1 million ESP shares on issue (and included in the total shares on issue of 661.1 million), 13.4 million ESP shares are considered to be in the money with a ESP loan recoverable balance of $8.0 million. 4.7 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 656.4 million shares. On a fully diluted basis, net of treasury shares, a further 7.3 million performance and restricted rights can be converted into ordinary shares. These have been excluded from the calculations. As such, $8 million of ESP loans have been added to the Embedded Value calculations and 656.4 million shares on issue have been used for the purposes of calculating the EV per share

Chart 10: Embedded Value sensitivity analysis @ 4%DM



Economic, Industry and Operational Outlook

- Inflation in Australia is the highest it has been since the early 1990s. There are widespread upward pressures on prices from strong demand, a tight labour market and capacity constraints in some sectors of the economy. There has also been the impacts of natural disasters on prices.
- The outlook for global economic growth has also been downgraded due to pressures on real incomes from higher inflation, the tightening of monetary policy in most countries, Russia's invasion of Ukraine and the COVID-19 containment measures in China.
- Based on the latest RBA statement, CPI inflation is expected to peak later this year (circa 7.75%) and then decline back towards the top end of the 2–3% range over 2024.
- Higher inflation and materially increased interest rates are putting pressure on household budgets. Consumer confidence has also fallen and housing prices are declining in some markets after the large increases in recent years. Working in the other direction, people are finding jobs and obtaining more hours of work. Many households have also built up large financial buffers and the saving rate remains higher than it was before the pandemic.
- The Group has considered the impact of COVID-19 and other market volatility in preparing its financial statements. The COVID-19 related overlays and assumptions have been updated, with allowances made for the direct impact on claims. The indirect impacts (economic impacts) are closely being monitored, with the affordability issues (lapses) likely being offset by new business (upside).
- The Australian life insurance market remains fundamentally attractive with improving industry profitability driven by structural reforms and a significant, and increasing, underinsurance gap with strong demand for life insurance products. Consumer demand remains strong despite structural factors that have historically affected new business.
- There is now an improved regulatory outlook along with overall improved industry profitability (in line with the changes to design and pricing of income protection policies).
- There has also been significant market consolidation which has resulted in the large life insurers being increasingly internally distracted and thus benefiting mid-tier insurers. ClearView is ideally placed to take advantage of the market construct, as advisers seek depth and diversity of carrier.
- New business volumes over the last few years have been adversely impacted by broader market trends including the disruption in the adviser market (due mainly to regulatory factors), aggressive pricing strategies from ClearView's competitors, COVID-19 and ClearView's focus on customer retention initiatives during this period;
- ClearView's strategic focus has recently shifted back to new business sales (reinforced by the impact of COVID-19), underpinned by the launch of the new ClearView ClearChoice product in 1H FY22 and supported by the implementation of a new PAS for new business.

- The new ClearView ClearChoice product is expected to benefit from the broader reset of the industry, an increased focus on sustainability and a return to pricing rationality in the market (over time).
- Now that product, pricing and platform issues are largely being addressed, this places ClearView in a strong position to regain new business share.
- The key focus is on the successful further development of the new PAS and progressively obtaining the efficiencies from the IT transformation as the development of the system occurs over the next eighteen month period.
- The Wealth Management segment has faced strong headwinds including global and political uncertainty, extreme market volatility and negative investor sentiment. This has impacted asset valuations. Despite the challenges, significant progress has been made in the simplification transformation that commenced a few years ago.
- This simplification included certain product structure changes, in particular pricing changes for the traditional products and integration into the WealthFoundations product range that was completed in May 2022. Costs are expected to reduce progressively as the simplification process is completed.
- The Wealth Management business is now in a position to be able to consider how best to take the business forward.
- The sale of the financial advice businesses allows ClearView to participate in industry consolidation and at the same time separate the product manufacturer and advice arms of ClearView.

Financial Outlook

- The net surplus capital position of the Group above internal benchmarks is $25.8 million at 30 June 2022 and is stated prior to the payment of the FY22 final cash dividend.
- The surplus capital position and future business capital generation is anticipated to fund the net capital expenditure impacts of the material investment in the new PAS 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 (over a period of time). These commenced in January 2022, with limited shock lapse impacts to date.
- There is expected to be continued solid growth in Underlying NPAT[1] (from continuing operations) in FY23 supported by the implementation of the strategy as outlined above.
- Given the fluidity of the COVID-19 pandemic and operating environment, potential impacts from any deterioration in economic conditions or further (more severe) infections (and the related flow on effects to claims and affordability of premiums), actual experience in FY23, relative to best estimate assumptions, may be impacted and could potentially impact on Underlying NPAT.
- An increase in interest rates is, overall, for a business like ClearView a net positive, given its impacts on investment returns (as returns increase on the capital held by ClearView to support in-force policies and new business generation) and the discounted costs of future income protection claims (taking into account the estimated claims duration and adjusting for changes in expected inflation).
- The migration of the in-force portfolios and related automation and simplification of back end processes will allow for the achievement of cost efficiencies as the PAS is developed over time. This should lead to operating leverage and improved margins.
- ClearView has an Embedded Value[3] of 92.2 cents per share[4] that reflects the discounted cash flows of the in-force portfolios. Stable cash flows from in-force portfolio are underpinned by actuarial assumptions that have been reset (over time) to align to the changing market conditions.
- ClearView has a strong Balance Sheet and capital base that remains resilient to various stress scenarios. The net assets are backed by cash and highly rated securities.

1 Operating Earnings (after tax) represents the Underlying NPAT[2] of the business segments before underlying investment income and interest costs associated with corporate debt and Tier 2 Capital. Costs associated with the incurred claims treaty are reflected as part of reinsurance costs.

2 Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases.

3 Embedded Value at 4% discount rate margin, including a value for future franking credits, accrued franking credits and Employee Share Plan (ESP) loans. Risk free rate of 3.5% adopted in FY22 (FY21: 2%)

Strategic Review

The strategic review process, which commenced in February this year, is ongoing. Discussions are continuing with interested parties in relation to the acquisition of the share capital of the Company. There are no assurances that the ClearView Board will decide to pursue any transaction, nor that any transaction will result from the negotiations.

Summary

ClearView's current actions to build customer loyalty, simplify and improve products, and invest in technology are focused on ensuring ClearView is easy for advisers and customers to do business with. This strategy is likely to underpin medium-to-long term performance objectives.

The fundamental purpose and need for quality life insurance and wealth management products, and professional advice, has not changed. Australia's ageing population, compulsory superannuation system and rising household debt levels underpins demand for ClearView's high quality products and services.

Changes in state of affairs

Other than noted elsewhere in this report, there were no other significant changes in the state of affairs of the Group, during the year ended 30 June 2022.

Remuneration report

This Remuneration Report for the year ended 30 June 2022 forms part of the Directors' Report. It has been prepared in accordance with the *Corporations Act 2001* (**Cth**) (**the Act**), the *Corporations Regulations 2001* (**Cth**) and *AASB 124 Related Party Disclosures* and audited as required by the Act. It also includes additional information and disclosures that are intended to enable a deeper understanding by shareholders of ClearView's remuneration governance and practices.

1. People covered by this report

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

Name	Position	Term as KMP[1]	Audit	Nomination & Remuneration	Risk & Compliance
Non-Executive Directors					
Geoff Black	Independent Non-Executive Chairman	Full year	✓	✓	✓
Michael Alscher	Non-Executive Director	Full year		✓	
Gary Burg	Independent Non-Executive Director	Full year	✓	✓	✓
Jennifer Lyon[2]	Independent Non-Executive Director	Full year	✓	C	C
Nathanial Thomson	Non-Executive Director	Full year		✓	
Susan Young[3]	Independent Non-Executive Director	Full year	C	✓	✓
Executives					
Simon Swanson	Managing Director	Full year			
Athol Chiert	Chief Financial Officer	Full year			
Christopher Blaxland-Walker[7]	Group Executive, Distribution	Full year			
Cloe Reece[4]	Chief Risk Officer	Part year			
Deborah Lowe[8]	Group Executive, Wealth Management and Chief People Officer	Full year			
Gerard Kerr[9]	Group Executive, Life Insurance	Full year			
Hicham Mourad[10]	Program Director, PAS Transformation Project	Full year			
Judilyn Beaumont[11]	Group Executive, General Counsel and Corporate	Full year			
Justin McLaughlin[13]	Chief Investment Officer	Full year			
Nadine Gooderick[12]	Group Executive, Technology and Development	Full year			
James Myerscough[5]	Interim Chief Risk Officer	Part year			
Todd Kardash[6]	General Manager, Licensee Services	Part year			

✓ = Member, C = Chair

1 If an individual did not serve as a KMP for the full financial year, all remuneration is disclosed from the date the individual was appointed as a KMP to the date they ceased as a KMP.
2 Appointed as Chair of Nomination & Remuneration Committee on 25 March 2022.
3 Resigned as Chair of Nomination & Remuneration Committee on 25 March 2022.
4 Appointed as Chief Risk Officer on 1 February 2022.
5 James Myerscough ceased as KMP on 31 January 2022.
6 Following the completion of the sale of the financial advice business to Centrepoint Alliance Limited, Todd Kardash ceased as KMP on 26 November 2021.
7 Position updated to Group Executive, Distribution from General Manager, Distribution on 1 August 2022.
8 Position updated to Group Executive, Wealth Management and Chief People Officer from General Manager, Wealth Management and Chief Human Resources Officer on 1 August 2022.
9 Position updated to Group Executive, Life Insurance from General Manager, Life Insurance on 1 August 2022.
10 Position updated to Program Director, PAS Transformation Project from General Manager, Technology on 1 August 2022.
11 Position updated to Group Executive, General Counsel and Corporate Affairs from General Counsel and Company Secretary on 1 August 2022.
12 Position updated to Group Executive, Technology and Development from General Manager, Transformation on 1 August 2022.
13 Following the update to the Group Executive structure on 1 August 2022, Justin McLaughlin ceased as KMP. He was considered as a KMP for the full financial year in FY22.

2. Remuneration Overview

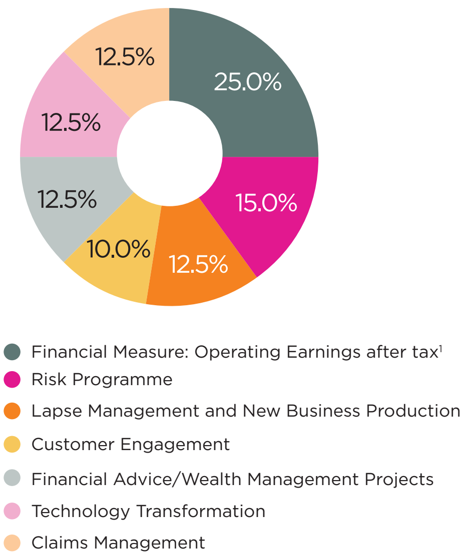
2.1 Executive Remuneration Structure At-A-Glance

During FY22, the remuneration structures in place were unchanged from the prior year, and the same structure is expected to apply in FY23 (subject to the successful completion of the strategic review). ClearView's approach to executive remuneration and the remuneration cycle under the framework applicable to FY22 is set out below.

ClearView's Remuneration Framework Overview

Fixed pay		**Variable remuneration**			
		Short term variable remuneration		**Long term variable remuneration**	
Purpose	To pay fairly and according to external market conditions for each role.	To motivate KMPs to reach or exceed the company goals for the financial year.		To reward the KMPs for achieving key objectives in the long term.	
Delivery	Base Salary, Superannuation, and Other Benefits.	60% delivered in cash, 40% delivered in Restricted Rights subject to a 3 year deferral period.		Indeterminate Rights entitled to the value of a share of ClearView, subject to LTVR performance with a Measurement Period of 4 years.	
FY 22 Approach	**Short term remuneration and STVR**			**Long term remuneration and LTVR**	
	Opportunity as % of Fixed pay			**Opportunity as % of Fixed pay**	
		Target	**Stretch**		**Target**
	Managing Director	50%	70%	Managing Director	100% - 120%
	Other executives	30%	42%	Other executives	50% - 70%

Weightings



Underpinned by gate openers being risk management, culture and values with deferral component settled on 30 June 2025.

Performance conditions

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

2021 LTVR Issue: The TSR vesting condition is based upon an annual growth rate of 25% over the Performance Period - this equates to a market capitalisation of the company of $450m on 30 June 2024. The target level of vesting is 100%. Prior issues under the previous LTIP scheme were based on internal financial metrics such as Embedded Value or Underlying NPAT targets.

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

1 Operating Earnings After Tax reflects the underlying performance of the business segments and has been adopted by the Board as its key measure of Group profitability and basis for dividend payment decisions. Operating Earnings (after tax) represents the Underlying NPAT[2] of the business segments before underlying investment income and interest costs associated with corporate debt and Tier 2 Capital. Costs associated with the incurred claims treaty are reflected as part of reinsurance costs.

2 Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases.

Remuneration Framework Timeline FY22			
FY22	**FY23**	**FY24**	**FY25**
Fixed pay			
STVR Performance period	Audit & STVR Assessment		
	60% Cash Award*		
	40% Restricted Rights*		
LTVR Performance Period - Indeterminate Rights with a TSR Vesting Condition.			

*STVR Cash awards are generally awarded following the release of the audited Annual Report. Restricted rights will be issued in relation to the deferred portion of the STVR and will vest three years post the measurement period (ie 30 June 2025). FY22 restricted rights structure and implementation is subject to successful completion of strategic review, the Board may exercise its discretion to pay out the FY22 deferred STVR component in cash. The outcome will be included in the Remuneration Report for the year ending 30 June 2023.

2.2 FY22 Company Performance At-A-Glance

The following outlines the Company's performance in FY22, which is intended to assist in demonstrating the link between performance, value creation for shareholders, and executive reward:

FY End Date	Net profit after tax ($'000)	Operating Earnings After Tax from Continuing Operations[2] ($'000)	Share price at the beginning of period (cents)	Share price at the end of period (cents)	Dividends (Final) (cents)	Embedded value ($m)	Embedded value per share[1] (cents)
30/6/2022	21,175	28,044	50.0	68.0	2.00	605	92.2
30/6/2021	6,679	23,030	27.5	50.0	1.00	640	95.7
30/6/2020	13,081	11,003	66.0	27.5	—	643	95.3
30/6/2019	3,959	21,990	116.0	66.0	—	673	99.4
30/6/2018	26,596	30,200	145.0	116.0	3.00	670	100.3

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

2 Operating Earnings After Tax reflects the underlying performance of the business segments and has been adopted by the Board as its key measure of Group profitability and basis for dividend payment decisions. Operating Earnings (after tax) represents the Underlying NPAT[3] of the business segments excludes the financial advice segment before underlying investment income and interest costs associated with corporate debt and Tier 2 Capital.

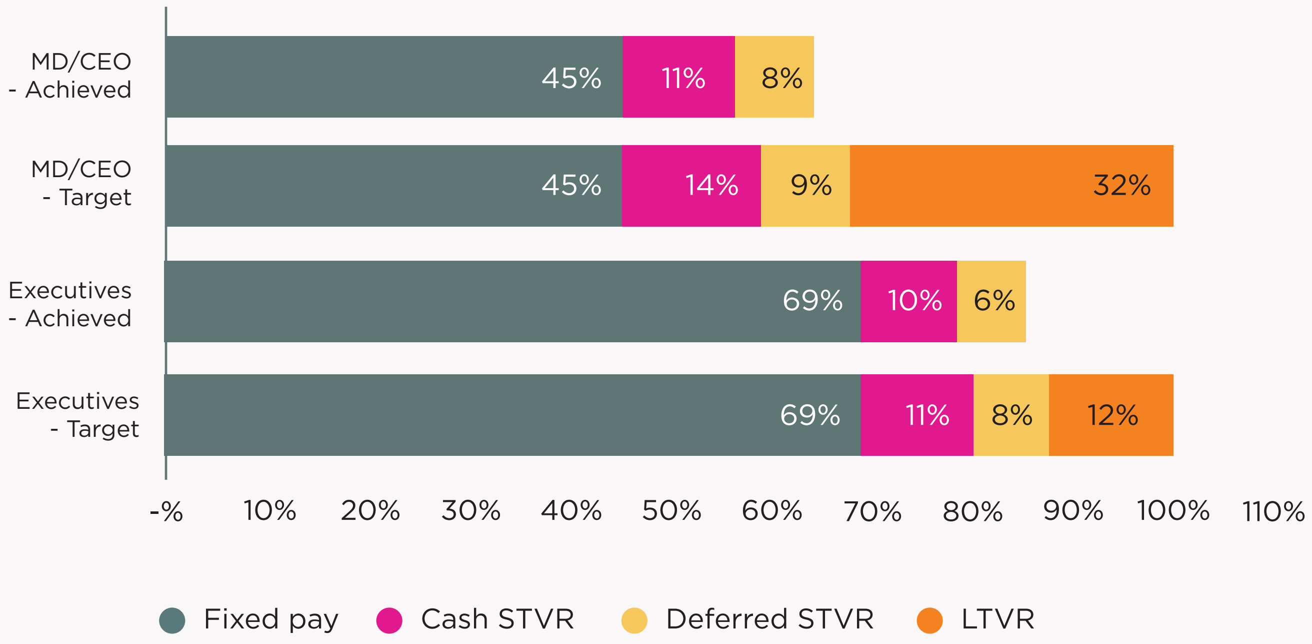
3 Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases.

Key achievements during the year under review include :

- the launch of the ClearView ClearChoice life insurance product suite in line with industry structural changes and sustainable margins;
- implementing the required structural changes to enable long term growth: including the exit of direct ownership of financial adviser networks and simplification of the wealth management business;
- investment in capabilities and people, including the realignment of the organisation by product line and recruitment of additional capabilities to key roles;
- investment in sales and margin-focused initiatives, including commencing the implementation of the IT transformation program which will improve efficiency for advisers and add flexibility to ClearView's business over time; and
- continued repricing of the LifeSolutions in-force portfolios aligned to industry sustainability issues.

2.3 FY22 Executive Remuneration Opportunities and Outcomes At-A-Glance

The following charts outline the remuneration opportunities under ClearView Wealth's executive remuneration structures, with the outcomes dependent on performance over FY22 for STVR and LTVR, and the 'achieved' remuneration payable in respect of the completed FY22 year and performance delivered:



Note: "Achieved" refers to Fixed Pay received during FY22 and Cash STVR awarded in respect of FY22 performance (i.e. after the end of the year) and LTVR/LTIP vested during the year.

The outcome of the performance vesting conditions for the 2020 LTIP (with a vesting date of 30 June 2022) is subject to the strategic review and related Board discretion that can be applied in light of the outcome of the review. The determination of use of discretion will be formally assessed by the Board as part of the strategic review process. The outcome will be included in the Remuneration Report for the financial year ending 30 June 2023.

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

3.1 Remuneration Policy

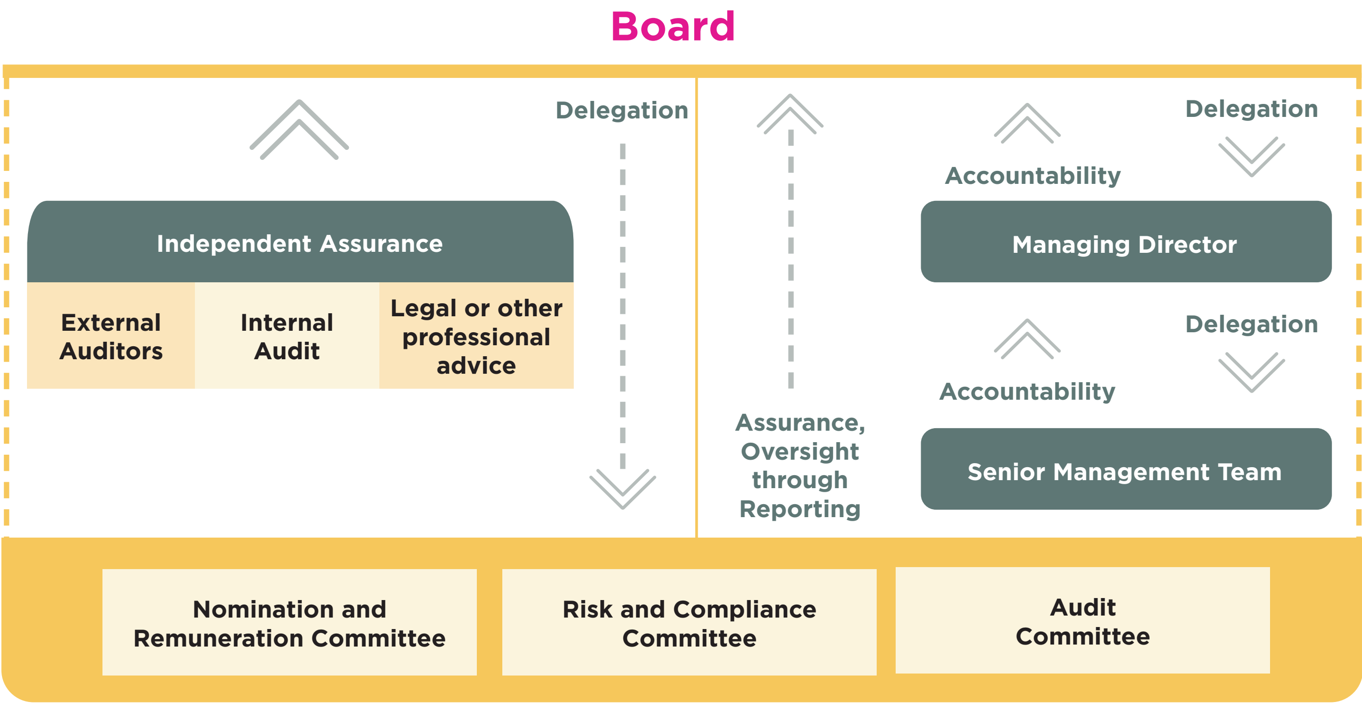
ClearView's Remuneration Policy (Policy) was updated in 2021 and is compliant with the obligations set out by the Australian Prudential Regulatory Authority (**APRA**) under Prudential Standards CPS 510 'Governance' and SPS 510 'Governance'. It also forms part of ClearView's Risk Management System and overall Risk Management Framework (in accordance with the Prudential Standards). The Board has approved this Policy and retains overall responsibility for all remuneration decisions in respect to persons relevant to each entity. The Policy is reviewed at least once every three years to ensure ongoing compliance with regulatory changes as more information becomes known and the changes are due to take effect.

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

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

3.2 KMP Remuneration Governance Framework

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



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

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

Total executive remuneration is made up of three components:

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

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

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

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

3.4 FY22 Short Term Variable Remuneration (STVR) Plan

A description of the STVR structure applicable for FY22 is set out below:

<table>
<tr><td>Purpose</td><td>To provide at-risk remuneration and incentives that reward executives for meeting annual goals. The objectives chosen are intended to assist long-term shareholder value development and are linked to the long-term strategy on an annual basis.</td></tr>
<tr><td>Measurement Period</td><td>The financial year of the company (1 July - 30 June).</td></tr>
<tr><td>Opportunity</td><td>
<table>
<tr><th rowspan="2"></th><th colspan="2">Opportunity as % of Fixed Pay</th></tr>
<tr><th>Target</th><th>Stretch</th></tr>
<tr><td>Managing Director</td><td>50%</td><td>70%</td></tr>
<tr><td>Other executives</td><td>30%</td><td>42%</td></tr>
</table>
</td></tr>
<tr><td>Outcome Metrics and Weightings</td><td>For FY22, the following metrics and weightings applied:
• Financial Measure: Operating Earnings after Tax[1] - 25%
• Risk Programme - 15%
• Lapse Management and New Business Production - 12.5%
• Customer Engagement - 10%
• Financial Advice/ Wealth Management Projects – 12.5%
• Technology Transformation Project – 12.5%
• Claims Management – 12.5%
These metrics were selected because they were viewed by the Board as being the key drivers of value creation, as applicable to the role, for FY22. Refer to the section "The Link Between Performance and Reward for FY22" for additional information regarding performance outcomes relative to target.</td></tr>
<tr><td>Gate</td><td>The following Gates apply:
• Risk Management
• Culture and Values</td></tr>
<tr><td>Award, Settlement and Deferral[3]</td><td>Awards will be calculated and settled following the auditing of the accounts.
60% of any STVR Award is to be paid in cash, 40% of any STVR Award is to be settled in the form of a grant of Restricted Rights subject to an exercise restriction ending on 30 June 2025. Any grant of deferred STVR Restricted Rights will be calculated based on the 90-day VWAP leading up to FY22.</td></tr>
<tr><td>Delisting and Corporate Action</td><td>In the event the Board determines that the company will be subject to a de-listing, any unvested restricted rights may be subject to an accelerated vesting date in the Board's absolute discretion.</td></tr>
<tr><td>Board Discretion</td><td>The Board has sole discretion to determine that some or all unvested restricted rights held by a participant lapse on a specified date if allowing the rights to be exercised would, in the opinion of the Board, result in an inappropriate benefit to the participant. This is intended to give effect to the company's approach to Malus/Clawback.</td></tr>
<tr><td>Malus and Clawback</td><td>In the event that the Board forms the opinion that a Participant has committed an act of fraud, defalcation or gross misconduct in relation to the company then the Participant will forfeit all unvested entitlements under the STVR plan, including all unvested restricted rights.</td></tr>
</table>

1 Operating Earnings After Tax reflects the underlying performance of the business segments and has been adopted by the Board as its key measure of Group profitability and basis for dividend payment decisions. Operating Earnings (after tax) represents the Underlying NPAT[2] of the business segments excludes the financial advice segment before underlying investment income and interest costs associated with corporate debt and Tier 2 Capital.

2 Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases.

3 Subject to the successful completion of the strategic review, the Board may exercise its discretion to pay out the FY22 deferred STVR component in cash. The outcome will be included in the Remuneration Report for the year ending 30 June 2023.

3.5 FY22 Long Term Variable Remuneration (LTVR) Plan

A description of the LTVR structure applicable for FY22 is set out below:

<table>
<tr><td>Purpose</td><td colspan="2">To provide at-risk remuneration and incentives that reward executives for meeting long-term value creation targets specified by the Board at the start of the financial year, and to align executives' interests with those of shareholders.</td></tr>
<tr><td>Instrument</td><td colspan="2">The LTVR is in the form of Performance Rights with a nil Exercise Price, which are subject to performance and service vesting conditions.</td></tr>
<tr><td>Measurement Period</td><td colspan="2">1 July 2021 to 30 June 2025 (4 Years)</td></tr>
<tr><td rowspan="4">Opportunity</td><td rowspan="2"></td><td>Opportunity as % of Fixed Pay</td></tr>
<tr><td>Target</td></tr>
<tr><td>Managing Director</td><td>100% - 120%</td></tr>
<tr><td>Other executives</td><td>50% - 70%</td></tr>
<tr><td>Grant Calculation, Performance Metric and Vesting Scale</td><td colspan="2">The number of Rights in a Tranche of FY22 LTVR granted for the issuance was calculated via the application of the following formula:

Target LTVR $ ÷ Right Value

where Right Value is the share price aligned to the LTVR target market capitalisation. 100% of the award to be measured against Target Total Shareholder Return (TSR) of market capitalisation of $483.75 million as at 30 June 2025. The TSR target was selected to ensure that the overall remuneration framework ensures that there is a balance of internal and external measures, such that the STVR is based on a set of internal measures to drive business plan outcomes the LTVR based on a long term measure aligned with total shareholder returns. Nil vesting occurs if the performance condition is not met.</td></tr>
<tr><td>Settlement</td><td colspan="2">The Rights are "Indeterminate Rights" which may be settled in the form of a Company Share (including a Restricted Share), or cash equivalent, upon valid exercise. It is generally expected that Restricted Shares will be used.</td></tr>
<tr><td>Term</td><td colspan="2">Rights have a term of 15 years from the grant date and if not exercised within the term the Rights will lapse.</td></tr>
<tr><td>Delisting and Corporate Action</td><td colspan="2">In the event of delisting the vesting conditions set out in the invitation will cease to apply and unvested rights will vest in accordance with the terms of the LTVR rules set out in CWL Rights Plan (as updated from time to time). In the event of other change of control events, vesting conditions continue to apply and any changes will be subject to the Board's absolute discretion.</td></tr>
<tr><td>Cessation of Employment</td><td colspan="2">Vested rights will be automatically exercised. Unvested rights will lapse except in circumstances such as death, total or permanent disability, genuine redundancy or other circumstances determined by the Board in its discretion (Qualifying Cessation). Rights that do not lapse at the termination of employment will continue to test for vesting at the end of the Measurement Period.</td></tr>
<tr><td>Board Discretion</td><td colspan="2">The Board has discretion to adjust the number of Rights that ultimately vest if it forms the view that the unadjusted outcome is not appropriate to the circumstances that prevailed over the measurement period and/or to the contribution of a Participant to outcomes over the measurement period.</td></tr>
<tr><td>Malus and Clawback</td><td colspan="2">In the event that the Board forms the opinion that a Participant has committed an act of fraud, defalcation or gross misconduct in relation to the company then the Participant will forfeit all unvested entitlements under the LTVR Plan.</td></tr>
</table>

3.6 FY22 Non-Executive Director (NED) Remuneration

3.6.1 Fee Policy

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

Policy	Non-executive Directors are remunerated by way of one base fee (inclusive of Superannuation Guarantee) that is based on market rates for comparable companies for the time commitment and responsibilities undertaken by Non-executive Directors. The level of remuneration for each Non-executive Director is set by the Remuneration Committee, within the total annual remuneration limits approved by the shareholders at a general meeting. Any increase to individual Non-executive Director remuneration must be approved by the Board on the recommendation of the Remuneration Committee after engaging and taking advice, where appropriate. All reasonable out of pocket expenses incurred in connection with a Director's duties on behalf of ClearView Wealth are reimbursed. The following outlines the Board Fees for FY22:
Aggregate Board Fees	The total amount of fees paid to Non-Executive Directors in the year ended 30 June 2022 is within the aggregate amount as approved by shareholders of $1,000,000.

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

*Fees are inclusive of superannuation

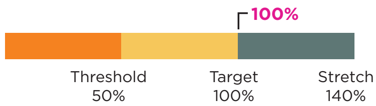
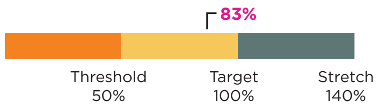
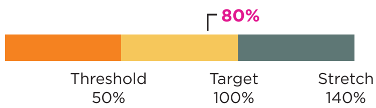
Non-executive Directors are not entitled to participate in equity schemes of the Company and are not entitled to receive performance-based bonuses. Non-executive Directors are not entitled to retirement benefits other than in respect of any superannuation entitlements.

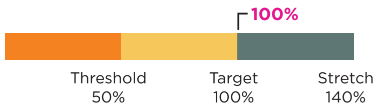
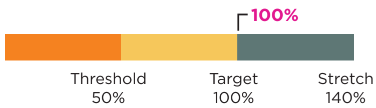
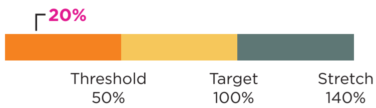
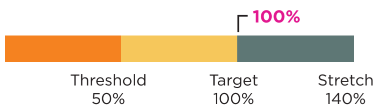
4. The Link Between Performance and Reward in FY22

The Board views the outcomes of remuneration for FY22 performance as appropriately aligned to stakeholder interests, given the strong group and individual performance against annual objectives and progress towards strategic objectives made by the executive team.

4.1 FY22 STVR Outcomes

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

Metric/Measure	Weight	Achieved	Outcome (% of Target)
Operating Earnings After Tax	**25%**	**25%**	
Operating Earnings After Tax[1] reflects the underlying performance of the business segments and has been adopted by the Board as its key financial measure of Group profitability and basis for dividend payment decisions.		The Group has achieved its financial metric targets for FY22. During this period of transformation, ClearView has focused on building a scalable foundation for growth and shift of product focus to sustainability.	
Risk Programme	**15%**	**12.5%**	
Continued improvement in the risk maturity profile of the business as evidenced by external and internal audit reviews, development and monitoring of risk registers and engagement in risk forums, coupled with the director's assessment as to the quality of information and risk outcomes throughout FY22.		The improvement of the risk maturity profile is considered to be on track with broad achievement of the goals over FY22.	
Lapse Management and New Business Production	**12.5%**	**10%**	
New business production and lapse metrics to drive growth albeit with underlying customer retention metrics to ensure sustainable profitable growth is achieved.		Improved market share on launch of ClearView ClearChoice product being achieved (circa 7%). New business volumes increased by 25% in FY22 with relaunch of growth strategy coupled with achievement of a lapse experience profit in FY22.	

Customer Engagement	**10%**	**10%**	
Customer engagement strategy execution underway with Wealth Management front end in operation and Life Insurance plan ready to execute by 30 June 2022. Positive scores on customer engagement measures: retention, post call survey, customer feedback forms and external surveys as appropriate.		Customer engagement strategy execution underway with Wealth Management new digital front end to be launched in August 2022.	
Financial Advice/ Wealth Management Projects	**12.5%**	**12.5%**	
Implementing the required structural changes to enable long term growth: including the exit of direct ownership of adviser networks and the simplification and transition of ClearView's wealth management business and products.		The sale of the financial advice business to Centrepoint Alliance completed successfully on 1 November 2021. The transition of the Traditional wealth product into WealthFoundations was completed in May 2022. The transition of the private label on HUB24 was postponed to FY23.	
Technology Transformation	**12.5%**	**2.5%**	
Investment in a new underwriting engine (**URE**), a new Policy Administration System (**PAS**), improved digital interfaces for advisers which together, should improve efficiency for advisers and add flexibility to ClearView's business.		The PAS system was launched for new business of the ClearView ClearChoice product in October 2021 with further development of the platform expected – the delay in the full implementation of the platform (and related migration of in force policies) by up to 18 months has driven the outcome.	
Claims Management	**12.5%**	**12.5%**	
An uplift in capability as per the claims transformation program and simplification of processes and internal activities. The claims performance of the business aligns to the Business Plan and there is a positive claimant experience as measured by appropriate industry surveys		New team structure, education pathways and capability framework has been put in place. A new Chief Claims Officer was appointed in FY22. Business plan objectives and claimant survey results have been achieved. Underlying claims experience profit achieved in FY22.	

The Business outcomes achievement of 85% outlined above, contributes 80% towards the total STVR Award in FY22. The remaining 20% is determined based on Individual outcomes. Overall the STVR outcomes for FY22, taking into account both the Business and Individual outcomes and determined through the Board's assessment are outlined below:

Name	Opportunity (as % of FP)		STVR Outcome as % of Target	Total STVR Awarded ($)	Cash ($)	Restricted Rights[1] ($)
	Maximum STVR	Target STVR				
S Swanson	70%	50%	84%	290,374	174,224	116,150
A Chiert	42%	30%	85%	103,623	62,174	41,449
C Blaxland-Walker	42%	30%	85%	90,873	54,524	36,349
C Reece	42%	30%	86%	42,526	25,516	17,010
D Lowe	42%	30%	86%	97,202	58,321	38,881
G Kerr	42%	30%	86%	110,002	66,002	44,000
H Mourad	42%	30%	82%	82,935	49,762	33,173
J Beaumont	42%	30%	88%	99,564	59,738	39,826
J McLaughlin	42%	30%	78%	82,220	49,332	32,888
N Gooderick	42%	30%	82%	87,666	52,600	35,066

1 Subject to the successful completion of the strategic review, the Board may exercise its discretion to pay out the FY22 deferred STVR component in cash. The outcome will be included in the Remuneration Report for the year ending 30 June 2023.

4.2 Legacy LTIP Grant Assessment and Vesting

The LTIP that vested to executives in respect of the completed FY22 reporting period was granted in FY20, and may be summarised as follows:

Instrument	Performance Rights under the legacy Rights Plan.
Measurement Period	FY20 to FY22 completion.
Performance Metrics and Weightings	The performance metric is measured against an Underlying NPAT target for the year ended 30 June 2022 (adjusted for interest on corporate debt), as set out in the three year FY20 Business Plan and measured immediately after the financial year 30 June 2022. 0% of the Awards vest for performance up to and including 90% of the Underlying NPAT target, with straight line vesting for performance between 90% and 100% of the Underlying NPAT target.
Service Conditions	A service employment condition applies until 30 June 2022.
Performance Outcome and Vesting Determination	The outcome of the performance vesting conditions for the 2020 LTIP (with a vesting date of 30 June 2022) is subject to the strategic review and related Board discretion that can be applied in light of the outcome of the review. The determination of use of discretion will be formally assessed by the Board as part of the strategic review process. The outcome will be included in the Remuneration Report for the financial year ending 30 June 2023
Board Discretions Applied	The Board may apply any discretionary adjustments to the performance assessment or vesting depending on the outcome of the strategic review process (as outlined above).
Settlement	Rights are exercised automatically upon vesting. The Rights are "Indeterminate Rights" which may be settled in the form of a Company Share (including a Restricted Share), or cash equivalent, upon valid exercise. This grant is subject to settlement in Shares as determined by the Board.

Outcomes as outlined below[1]:

Name	Number Eligible to Vest following FY22 Completion	% of Issue Vested	Number Vested	Grant Date Valuation $	Value of LTIP that Vested (as per Grant Date Valuation) $	Realisable Value (Number Vested x Vesting Date share price) $
S Swanson	897,868	—	—	484,849	—	—
A Chiert	280,584	—	—	151,515	—	—
C Blaxland-Walker	224,467	—	—	121,212	—	—
D Lowe	196,408	—	—	106,060	—	—
J McLaughlin	196,408	—	—	106,060	—	—
T Kardash	224,467	—	—	121,212	—	—

1 Subject to the strategic review and related Board discretion that can be applied in light of the outcome of the review. Vesting details will be included in the Remuneration Report for they year ending 30 June 2023.

Other LTVRs granted to executives which are not completed in FY22 are summarised in 5.3.3 below.

4.3 Use of Board Discretion

During the financial year and to the date of this report, the Board exercised its discretion available to it to modify STVR, LTVR / LTIP, or ESP outcomes, vesting or awards as follows:

- On 24 August 2021 ClearView announced the sale of its financial advice businesses to Centrepoint Alliance. The sale subsequently completed on 1 November 2021. The deal resulted in ClearView becoming a strategic shareholder and enables ClearView to indirectly participate in the financial advice market consolidation. Todd Kardash subsequently departed his role as the General Manager, Licensee Services. Given the nature of the transaction, the Board used its discretion to allow Todd Kardash to retain his Performance Rights under the LTIP and LTVR plans (subject to the performance conditions) and allowed the vesting criteria under the ESP to be met such that all conditions were met under the ESP plan.
- The outcome of the performance vesting conditions for the 2020 LTIP (with a vesting date of 30 June 2022) is subject to the strategic review and related Board discretion that can be applied in light of the outcome of the review. The determination of use of discretion will be formally assessed by the Board as part of the strategic review process. The outcome will be included in the Remuneration Report for the financial year ending 30 June 2023.
- The FY22 restricted rights structure and implementation is subject to the successful completion of the strategic review. The Board may elect to exercise its discretion to pay out the FY22 deferred STVR component in cash. The outcome will be included in the Remuneration Report for the year ending 30 June 2023. The same approach will be considered for the FY21 restricted rights.
- Subject to the successful completion of the strategic review, the Board may allow the vesting criteria and conditions of the remaining unvested ESP shares to be met. The outcome will be included in the Remuneration Report for the year ending 30 June 2023.
- The Board has deferred the granting of the FY23 LTVR performance rights pending the outcome of the strategic review. The Board intends to provide a LTVR on a consistent basis, determined using a mechanism that will deliver the same value to participants as previous issues. Details will be included in the Remuneration Report for the year ending 30 June 2023.

No other discretion were exercised by the Board to modify any STVR or LTVR outcomes, vesting or awards.

5. Statutory Tables and Supporting Disclosures

5.1 Executive KMP Statutory Remuneration for FY22

The following table outlines the statutory remuneration of Executive KMP.

2021	Short term benefits			Post employment benefits	Long term benefits	Other benefits	Share based payments			Total
	Salary & Fees	STVR Cash[8]	Other benefits and allowances[9]	Superannuation	Long Service Leave	Termination Payment	Executive Share Plan[10]	Performance / Restricted Rights[11]	Performance based	
	$	$	$	$	$	$	$	$	%	$
Executives										
S Swanson										
2022	701,933	174,224	19,325	23,634	22,764	—	—	234,615	34.75%	1,176,495
2021	681,194	143,515	19,249	22,601	12,036	—	—	163,837	29.48%	1,042,432
A Chiert										
2022	420,227	62,174	19,325	23,634	13,262	—	—	78,470	22.79%	617,092
2021	419,218	55,856	16,137	22,601	6,830	—	—	58,538	19.75%	579,180
J McLaughlin										
2022	376,139	49,332	—	23,634	14,818	—	—	60,265	20.91%	524,188
2021	368,183	40,547	—	22,601	5,912	—	—	41,942	17.21%	479,185
C Blaxland-Walker										
2022	361,392	54,523	86,574	23,634	13,142	—	—	65,966	19.91%	605,232
2021	379,219	44,501	68,152	22,601	5,763	—	1,386	46,708	16.05%	568,330
D Lowe										
2022	380,749	58,321	8,878	23,634	5,078	—	4,851	66,258	22.74%	547,769
2021	393,072	53,036	11,177	22,601	8,583	—	14,788	50,268	18.66%	553,525
J Beaumont										
2022	393,897	59,738	19,325	23,634	2,554	—	—	54,151	20.58%	553,299
2021	374,775	51,596	17,366	22,601	1,424	—	—	36,585	17.48%	504,347
H Mourad										
2022	345,124	49,762	9,400	23,634	1,958	—	—	47,500	20.37%	477,378
2021	342,745	45,836	12,770	22,601	1,106	—	—	32,745	17.16%	457,803
N Gooderick[2]										
2022	379,426	52,600	9,681	23,634	1,836	—	—	47,861	19.51%	515,038
2021	162,545	21,498	7,873	10,085	—	—	—	15,243	16.91%	217,244
G Kerr[3]										
2022	439,159	66,001	9,400	23,634	1,808	—	—	64,834	21.63%	604,837
2021	209,921	25,680	2,991	10,085	215	—	—	109,854	12.69%	358,746
C Reece[4]										
2022	179,447	25,516	—	10,944	429	—	—	19,047	18.93%	235,383

	Short term benefits			Post employment benefits	Long term benefits	Other benefits	Share based payments			Total
	Salary & Fees	STVR Cash[8]	Other benefits and allowances[9]	Superannuation	Long Service Leave	Termination Payment	Executive Share Plan[10]	Performance / Restricted Rights[11]	Performance based	
	$	$	$	$	$	$	$	$	%	$
Former Executives										
T Kardash[1,12]										
2022	140,185	—	27,865	25,755	2,095	395,300	—	52,691	8.18%	643,891
2021	361,710	43,756	66,092	22,601	5,634	—	—	46,211	16.48%	546,004
J Myerscough[5]										
2022	182,875	—	4,705	—	—	—	—	—	—%	187,580
2021	72,600	—	1,701	—	—	—	—	—	—%	74,301
G Martin[6]										
2021	112,503	—	5,652	6,675	1,660	342,709	—	—	—%	469,199
O Cowan[7]										
2021	242,115	—	10,319	18,357	—	160,000	—	—	—%	430,791

1 Ceased as General Manager, Licensee Services on 27 November 2021.

2 Appointed as General Manager, Transformation on 1 February 2021.

3 Appointed as General Manager, Life Insurance on 1 February 2021. $90,000 LTVR Awards were provided as a sign on bonus. The awards are not subject to performance conditions.

4 Appointed as Chief Risk Officer on 1 February 2022.

5 Appointed as interim Chief Risk Officer on 6 May 2021; Ceased on 31 January 2022

6 Ceased as General Manager, Strategy on 30 September 2020.

7 Appointed as Chief Risk Officer on 8 October 2019; Ceased on 19 April 2021.

8 Cash amount of the STVR payable in relation to FY22 and FY21 financial year and accrued as at 30 June 2022 and 2021 respectively. Amounts to be paid, will be based on actual earnings for the year, on approval of the results of the relevant financial year.

9 In the 2021 Remuneration Report, other benefits were understated by $29,507 relating to fringe benefits tax. The table above has been amended to reflect the correct amounts.

10 Benefit calculated under the Binomial model in respect of the future value of the ESP shares issued. ESP shares are ordinary shares issued and held under a holding lock until vesting date.

11 Performance and restrictive rights granted under the ClearView LTIP and ClearView LTVR Rights Plan covering the LTVR as well as the deferred component of the STVR respectively. Rights can be settled in cash or equity based on the terms of each award. FY22 STVR structure and implementation is subject to the successful completion of the strategic review. The Board may elect to exercise its discretion to pay out the FY22 STVR deferred component in cash. The Board may also elect to accelerate the settlement of the FY21 STVR deferred component in cash.

12 The LTVR rights value reflects the disclosable accruals for all previously granted LTVR awards that remain unvested following cessation of employment up to the end of each performance period. This means that up to three years of each unvested LTVR award expense has been brought forward and disclosed in total for the 2022 financial year, including those amounts which would otherwise have been included in future year disclosures and that may not vest.

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

The compensation of each NED is set out below:

	Year	Short term benefits	Post employment benefits	Total	Performance based	GST / Superannuation
		Salary & Fees	Superannuation			
		$	$	$	%	
Non-executive Directors						
G Black	2022	181,887	18,189	200,076	—	incl. Super
	2021	159,817	15,183	175,000	—	incl. Super
G Burg	2022	85,000	—	85,000	—	excl. GST
	2021	85,000	—	85,000	—	excl. GST
N Thomson[1]	2022	85,000	—	85,000	—	excl. GST
	2021	85,000	—	85,000	—	excl. GST
M Alscher[1]	2022	85,000	—	85,000	—	excl. GST
	2021	85,000	—	85,000	—	excl. GST
S Young	2022	133,195	26,871	160,067	—	incl. Super
	2021	117,000	18,000	135,000	—	incl. Super
J Lyon[2]	2022	138,687	13,869	152,555	—	incl. Super
	2021	109,589	10,411	120,000	—	incl. Super

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

2 Ms Lyon was appointed as Director on 1 July 2020.

5.3 Equity Interests and Changes During FY22

5.3.1 ESP Plan and financial assistance under the ESP Plan

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

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

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

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

The following table outlines the 15,771,030 ESP shares issued to KMP or their related entities as at the date of this report (2021: 17,271,030 shares) and their vesting conditions. No performance conditions are applicable to the ESP shares issued.

	Share series	Fair value at grant date (pre-modification[1])	Fair value at grant date (post-modification[1])	Exercise price per share ($)	Aggregate value at grant date ($)	Vesting conditions	Expiry date [7]
S Swanson	Series 10 [1,4,6]	0.11	0.11	0.50	224,074	Vested	Change in Control
	Series 11 [1,4,6]	0.08	0.08	0.58	323,295	Vested	Change in Control
	Series 12 [1,3,4,6]	0.06	0.06	0.65	241,927	Vested	Change in Control
A Chiert	Series 7 [1,2,4]	0.07	0.10	0.49	98,057	Vested	Change in Control
	Series 26 [5]	0.29	n/a	0.57	289,798		Change in control
J McLaughlin	Series 6 [1,2,4]	0.10	0.10	0.59	51,283	Vested	Change in Control
	Series 7 [1,2,4]	0.07	0.10	0.49	65,371	Vested	Change in Control
C Blaxland-Walker	Series 16 [1,3,4]	0.10	0.13	0.50	127,366	Vested	Change in Control
	Series 43	0.20	n/a	1.01	16,718	Vested	Change in Control
	Series 44	0.23	n/a	1.01	19,372	Vested	Change in Control
	Series 45	0.27	n/a	1.01	21,883	Vested	Change in Control
D Lowe	Series 51a	0.19	n/a	0.96	49,733		Change in Control
	Series 51b	0.22	n/a	0.96	57,586		Change in Control

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

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

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

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

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

6 In accordance with Mr Swanson's employment contract, Mr Swanson is entitled to a long term incentive comprising 10 million Shares in accordance with the ESP Plan Rules and vesting progressively over three years from the commencement date of his contract and all shares have subsequently vested.

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

5.3.2 Movement of ESP shares under limited recourse loans

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

	Held at 1 July 2021 No.	Granted No.	Exercised No.	Forfeited No.	Held at 30 June 2022 No.	Vested during the year No.	Vested and exercisable at 30 June 2022[4] No.
Executives							
S Swanson	10,000,000	—	—	—	10,000,000	—	10,000,000
A Chiert[3]	2,500,000	—	—	—	2,500,000	—	1,500,000
J McLaughlin[3]	1,500,000	—	—	—	1,500,000	—	1,500,000
C Blaxland-Walker[2,3]	1,247,525	—	—	—	1,247,525	—	1,247,525
D Lowe	523,505	—	—	—	523,505	—	—
Former Executive							
T Kardash[1,3]	1,500,000	—	(500,000)	(1,000,000)	—	500,000	—

1 Ceased as General Manager, Licensee Services on 27 November 2021.

2 In the 2021 Remuneration Report, 247,525 ESP vested shares were incorrectly stated as subject to vesting. The table above has been amended to reflect the correct status.

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

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

5.3.3 Performance Rights and Restricted Rights

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

Name	Issue	Grant Type	Vesting Conditions	Grant Date[3]	No. of rights[5]	Total Value at Grant[4]	Value Expensed in FY22	Vested / Forfeited	Max Value to be Expensed in Future Years
Executives									
S Swanson	2022	LTVR	TSR and Service	12/11/21	1,111,111	224,667	46,806		177,861
	2021	LTVR	TSR and Service	28/10/20	1,199,632	83,974	20,994		45,486
	2021	STVR	None[6]	12/11/21	191,890	95,672	–		–
	2020	LTIP	Underlying NPAT and Service	01/09/19	897,868	484,849	50,667		332,849
A Chiert	2022	LTVR	TSR and Service	12/11/21	347,222	70,208	14,627		55,582
	2021	LTVR	TSR and Service	28/10/20	374,885	26,242	6,560		14,214
	2021	STVR	None[6]	12/11/21	74,686	37,238	–		–
	2020	LTIP	Underlying NPAT and Service	01/09/19	280,584	151,515	15,833		104,015
J McLaughlin	2022	LTVR	TSR and Service	12/11/21	277,777	56,167	11,701		44,465
	2021	LTVR	TSR and Service	02/11/20	262,420	18,369	4,592		9,950
	2021	STVR	None[6]	12/11/21	54,216	27,032	–		–
	2020	LTIP	Underlying NPAT and Service	01/09/19	196,408	106,060	11,083		72,810
C Blaxland-Walker	2022	LTVR	TSR and Service	12/11/21	277,777	56,167	11,701		44,465
	2021	LTVR	TSR and Service	29/10/20	299,908	20,994	5,248		11,372
	2021	STVR	None[6]	12/11/21	59,503	29,668	–		–
	2020	LTIP	Underlying NPAT and Service	01/09/19	224,467	121,212	12,667		83,212
D Lowe	2022	LTVR	TSR and Service	12/11/21	277,777	56,167	11,701		44,465
	2021	LTVR	TSR and Service	15/02/21	262,420	18,369	4,592		9,950
	2021	STVR	None[6]	12/11/21	70,915	35,358	–		–
	2020	LTIP	Underlying NPAT and Service	01/09/19	196,408	106,060	11,083		72,810
J Beaumont	2022	LTVR	TSR and Service	12/11/21	277,777	56,167	11,701		44,465
	2021	LTVR	TSR and Service	28/10/20	149,954	10,497	2,624		5,686
	2021	STVR	None[6]	12/11/21	68,990	34,398	–		–
H Mourad	2022	LTVR	TSR and Service	12/11/21	277,777	56,167	11,701		44,465
	2021	LTVR	TSR and Service	11/01/21	149,954	10,497	2,624		5,686
	2021	STVR	None[6]	12/11/21	61,288	30,558	–		–
N Gooderick	2022	LTVR	TSR and Service	12/11/21	277,777	56,167	11,701		44,465
	2021	LTVR	TSR and Service	31/03/21	62,481	4,374	1,093		2,369
	2021	STVR	None[6]	12/11/21	28,745	14,332	–		–
G Kerr	2022	LTVR	TSR and Service	12/11/21	416,666	84,250	17,552		66,698
	2021	LTVR	TSR and Service	10/03/21	187,443	13,121	3,280		7,107
	2021	STVR	None[6]	12/11/21	34,337	17,120	–		–
	2021	Signon	None	12/07/21	180,000	90,000	–	Vested	–
C Reece[1]	2022	LTVR	TSR and Service	02/03/22	105,753	21,383	2,037		19,346

Name	Issue	Grant Type	Vesting Conditions	Grant Date[3]	No. of rights[5]	Total Value at Grant[4]	Value Expensed in FY22	Vested / Forfeited	Max Value to be Expensed in Future Years
Former Executive									
T Kardash[2]	2022	LTVR	TSR and Service	12/11/21	115,750	23,405	23,405		—
	2022	LTVR	TSR and Service	12/11/21	162,027	32,762	—	Forfeited	—
	2021	LTVR	TSR and Service	10/01/21	299,908	20,994	16,620		—
	2021	STVR	None[6]	12/11/21	58,506	29,171	—		—
	2020	LTIP	Underlying NPAT and Service	01/09/19	224,467	121,212	12,667		83,212

1 Appointed as Chief Risk Officer on 1 February 2022.

2 Ceased as General Manager, Licensee Services on 27 November 2021.

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

4 The fair value of the 2022 LTVR and 2021 LTVR at their respective accounting grant date of 25/08/21 and 21/08/20 was $0.2022 and $0.07 respectively. The fair value was calculated using Monte Carlo simulation method. The fair value of the 2020 LTIP at grant date of 1/09/2019 was $0.54 calculated using Share price less present value of dividend method.

5 Performance Rights include restricted rights granted under the ClearView LTIP and ClearView Rights Plan covering the LTVR as well as the deferred component of the STVR. Rights can be settled in cash or equity based on the terms of each award and discretion of the Board.

6 Vesting date of 30 June 2024. While there is no performance or service vesting conditions applicable, the malus clauses apply.

Note: the minimum value to be expensed in future years for each of the above grants is nil. A reversal of previous expense resulting in a negative expense in the future may occur in the event of an executive KMP departure or failure to meet non market-based conditions including failure for Gate Openers.

5.3.4 Related party interests

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

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

	Shares held at 1 July 2021 No.	Sub-ordinated notes held at 1 July 2021 No.	Net movement of shares due to other changes No.	Net movement of sub-ordinated notes due to other changes No.	Shares held at 30 June 2022 No.	Sub-ordinated notes held at 30 June 2022 No.
G Black	50,000	—	—	—	50,000	—
J Lyon	27,212	—	—	—	27,212	—
G Burg[1]	10,918,090	100	—	—	10,918,090	100
S Young	83,092	—	—	—	83,092	—

1 Interest amount of $60,431 was paid to G Burg during FY22 in respect of the sub-ordinated notes held.

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

	Shares held at 1 July 2021 No.	Shares received on exercise of ESP No.	Shares received on exercise of LTIP No.	Shares received on exercise of LTVR, STVR No.	Net movement of shares due to other changes No.	Shares held at 30 June 2022 No.
Executives						
S Swanson	5,550,000	—	—	—	—	5,550,000
A Chiert	722,266	—	—	—	—	722,266
J McLaughlin	320,145	—	—	—	—	320,145
C Blaxland-Walker	197,811	—	—	—	—	197,811
D Lowe	144,065	—	—	—	—	144,065
N Gooderick	63,212	—	—	—	—	63,212
Former Executive						
T Kardash[1]	364,870	500,000	—	—	—	864,870

1 Ceased as General Manager, Licensee Services on 27 November 2021. The shares held at 30 June 2022 represent the shares held at the date he ceased to be a KMP.

5.4 KMP Service Agreements

5.4.1 Executive KMP Service Agreements

The following outlines current executive KMP service agreements:

KMP	Term	Notice period by either the employee or the Company	Other
S Swanson, C Blaxland-Walker	Ongoing	12 months	In the case of redundancy, a severance payment of 13 weeks' base salary (or any greater payment required under the National Employment Standards (NES)).
A Chiert	Ongoing	6 months notice for the first 3 years of employment, 3 months notice after 3 years	For all terminations after the first 3 years of employment an additional 26 week payment is payable.
J McLaughlin[1]	Ongoing	6 months	In the case of redundancy, a severance payment of 26 weeks' base salary (or any greater payment required under the NES).
D Lowe	Ongoing	6 months	In the case of redundancy, a severance payment of 13 weeks' base salary (or any greater payment required under the NES).
J Beaumont, H Mourad, N Gooderick, G Kerr, C Reece	Ongoing	13 weeks	In the case of redundancy, a severance payment of 13 weeks' base salary (or any greater payment required under the NES).

1 J McLaughlin was a KMP for FY22, ceased being a KMP on 1 August 2022 and has continued employment with ClearView.

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

5.4.2 Non-executive directors (NEDs) Service Agreements

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

5.5 Other Statutory Disclosures

5.5.1 Other transactions

Certain directors and KMP, or their personally-related entities (Related Parties), hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. None of these entities entered into material transactions with the Company or its subsidiaries in the FY22 reporting periods. The terms and conditions of any transactions entered into were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions with unrelated entities on an arms-length basis.

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

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

5.5.2 External Remuneration Consultants

During FY22 the Board engaged approved External Remuneration Consultants to provide KMP remuneration advice and other services as outlined below:

1. Godfrey Remuneration Group Pty Ltd (**GRG**):

a. Assistance with drafting ClearView's Remuneration Report- $22,000 (incl. GST)

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

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

Geoff Black

Chairman

23 August 2022

Auditor's Independence Declaration

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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23 August 2022

The Board of Directors
ClearView Wealth Limited
Level 15, 20 Bond Street
Sydney NSW 2000

Dear Directors

Auditor's Independence Declaration to ClearView Wealth Limited and its subsidiaries

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of ClearView Wealth Limited.

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

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

J Gorton

Joanne Gorton
Partner
Chartered Accountants

2022 financial report contents

The Financial Report was authorised for issue by the Directors on 23 August 2022.

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2022

		Consolidated		Company	
	Note	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Continuing operations					
Revenue from continued operations					
Premium revenue from insurance contracts		299,621	278,190	—	—
Outward reinsurance expense		(115,423)	(100,988)	—	—
Net life insurance premium revenue		**184,198**	**177,202**	—	—
Fee and other revenue	2.4	37,344	38,778	6,739	476
Investment income	2.5	106,502	72,769	9,047	1,226
Operating revenue before net fair value gains on financial assets		**328,044**	**288,749**	**15,786**	**1,702**
Net fair value (losses)/gains on financial assets		(224,294)	204,483	—	—
Share of net profit of investment in associate	8.2	534	—	534	—
Net operating revenue		**104,284**	**493,232**	**16,320**	**1,702**
Claims expense		(173,264)	(153,043)	—	—
Reinsurance recoveries revenue		128,042	108,504	—	—
Commission and other variable expenses		(57,662)	(53,769)	—	—
Operating expenses	2.6	(112,213)	(104,219)	(9,888)	(9,986)
Depreciation and amortisation expense	2.6	(6,083)	(5,780)	—	—
Change in life insurance policy liabilities	5.4	78,727	1,790	—	—
Change in reinsurers' share of life insurance liabilities	5.4	(57,040)	(5,104)	—	—
Change in life investment policy liabilities	5.4	70,701	(159,931)	—	—
Movement in liability of non-controlling interest in controlled unit trusts		26,264	(118,575)	—	—
Profit/(Loss) before income tax expense		**1,756**	**3,105**	**6,432**	**(8,284)**
Income tax benefit	2.7	9,285	2,501	1,992	2,116
Profit/(Loss) from continuing operations		**11,041**	**5,606**	**8,424**	**(6,168)**
Profit from discontinued operations	8.5	**10,134**	**1,073**	**—**	**—**
Total comprehensive income/(loss) for the year		**21,175**	**6,679**	**8,424**	**(6,168)**
Attributable to:					
Equity holders of the parent		21,175	6,679	8,424	(6,168)
Earnings per share - continuing operations	2.2				
Basic (cents per share)		1.74	0.89	—	—
Diluted (cents per share)		1.73	0.89	—	—
Earnings per share	2.2				
Basic (cents per share)		3.34	1.06	—	—
Diluted (cents per share)		3.32	1.06	—	—

To be read in conjunction with the accompanying Notes.

Consolidated statement of financial position

As at 30 June 2022

		Consolidated		Company	
	Note	30 June 2022 $'000	30 June 2021 $'000	30 June 2022 $'000	30 June 2021 $'000
Assets					
Cash and cash equivalents		150,735	120,496	13,369	8,904
Investments	3.3	2,289,624	2,456,967	433,278	439,081
Receivables	3.1	35,003	35,931	16,037	14,307
Current tax asset	2.7	—	2,972	—	2,972
Fixed interest deposits		2,897	70,366	—	—
Reinsurers' share of life insurance policy liabilities	5.4	26,367	70,621	—	—
Deferred tax asset	2.7	11,915	6,825	462	857
Property, plant and equipment		468	711	—	—
Right-of-use assets	9.3	10,456	14,516	—	—
Goodwill	4.1	12,511	12,511	—	—
Intangible assets	4.1	17,368	7,749	—	—
Investment in associate	8.2	13,734	—	13,734	—
Total assets		**2,571,078**	**2,799,665**	**476,880**	**466,121**
Liabilities					
Payables	3.2	50,297	45,279	2,880	1,315
Current tax liabilities	2.7	1,425	—	1,425	—
Provisions	4.3	6,321	7,559	19	1,437
Lease liabilities	9.3	11,160	14,008	—	—
Life insurance policy liabilities	5.4	(10,676)	(2,135)	—	—
Life investment policy liabilities	5.4	1,295,378	1,392,291	—	—
Liability to non-controlling interest in controlled unit trusts		645,612	791,249	—	—
Deferred tax liabilities	2.7	606	2,467	114	184
Borrowings	6.5	16,000	16,000	16,000	16,000
Subordinated debt	6.4	73,857	73,514	73,857	73,514
Total liabilities		**2,089,980**	**2,340,232**	**94,295**	**92,450**
Net assets		**481,098**	**459,433**	**382,585**	**373,671**
Equity					
Issued capital	6.1	466,655	447,448	469,062	449,855
Retained earnings/(losses)	6.2	7,881	(6,611)	(111,647)	(111,647)
Executive share plan reserve	6.2	6,562	14,617	4,155	12,210
Profit reserve	6.2	—	—	21,015	19,274
General reserve	6.2	—	3,979	—	3,979
Total equity		**481,098**	**459,433**	**382,585**	**373,671**

To be read in conjunction with the accompanying Notes.

Consolidated statement of changes in equity

For the year ended 30 June 2022

Consolidated	Share capital $'000	Share based payments reserve $'000	General reserve $'000	Retained earnings/(losses) $'000	Attributable to the owners of the parent $'000
Balance at 1 July 2020	**447,448**	**14,584**	**3,979**	**(13,290)**	**452,721**
Profit for the year	—	—	—	6,679	6,679
Total comprehensive income for the year	**—**	**—**	**—**	**6,679**	**6,679**
Recognition of share based payments	—	232	—	—	232
ESP shares vested/(forfeited)	—	(199)	—	—	(199)
Balance at 30 June 2021	**447,448**	**14,617**	**3,979**	**(6,611)**	**459,433**
Profit for the year	—	—	—	21,175	21,175
Total comprehensive income for the year	**—**	**—**	**—**	**21,175**	**21,175**
Recognition of share based payments[1]	—	434	—	—	434
Transfer from accrued employee entitlements[2]	—	351	—	—	351
Dividend paid	—	—	—	(6,683)	(6,683)
ESP loans settled through dividend	—	208	—	—	208
ESP shares vested and exercised	9,648	(3,112)	—	—	6,536
ESP shares forfeited (vested/unvested)	5,580	(5,936)	—	—	(356)
Transfer from reserve to share capital	3,979	—	(3,979)	—	—
Balance at 30 June 2022	**466,655**	**6,562**	**—**	**7,881**	**481,098**

1 Performance rights issued relating to Long Term Variable Remuneration (LTVR) and vesting of ESP.

2 Restricted rights issued relating to Deferred Short Term Variable Remuneration (STVR) from the previous financial year.

To be read in conjunction with the accompanying Notes.

Company	Share capital $'000	Share based payments reserve $'000	General reserve $'000	Profit reserve	Retained losses $'000	Attributable to the owners of the parent $'000
Balance at 1 July 2020	**449,855**	**12,177**	**3,979**	**19,274**	**(105,479)**	**379,806**
Loss for the year	—	—	—	—	(6,168)	(6,168)
Total comprehensive loss for the year	**—**	**—**	**—**	**—**	**(6,168)**	**(6,168)**
Recognition of share based payments	—	232	—	—	—	232
ESP shares vested/(forfeited)	—	(199)	—	—	—	(199)
Balance at 30 June 2021	**449,855**	**12,210**	**3,979**	**19,274**	**(111,647)**	**373,671**
Profit for the year	—	—	—	8,424	—	8,424
Total comprehensive profit for the year	**—**	**—**	**—**	**8,424**	**—**	**8,424**
Recognition of share based payments[1]	—	434	—	—	—	434
Transfer from accrued employee entitlements[2]	—	351	—	—	—	351
Dividend paid	—	—	—	(6,683)	—	(6,683)
ESP loans settled through dividend	—	208	—	—	—	208
ESP shares vested and exercised	9,648	(3,112)	—	—	—	6,536
ESP shares forfeited (vested/unvested)	5,580	(5,936)	—	—	—	(356)
Transfer from reserve to share capital	3,979	—	(3,979)	—	—	—
Balance at 30 June 2022	**469,062**	**4,155**	**—**	**21,015**	**(111,647)**	**382,585**

1 Performance rights issued relating to Long Term Variable Remuneration (LTVR) and vesting of ESP.

2 Restricted rights issued relating to Deferred Short Term Variable Remuneration (STVR) from the previous financial year.

To be read in conjunction with the accompanying Notes.

Consolidated statement of cash flows

For the year ended 30 June 2022

		Consolidated		Company	
		2022	2021	2022	2021
	Note	$'000	$'000	$'000	$'000
Cash flows from operating activities					
Receipts from client and debtors		676,132	673,006	—	—
Payments to suppliers and other creditors		(293,249)	(317,418)	(3,013)	(6,488)
Receipts from/(payments to) Group entities		—	—	2,320	1,425
Withdrawals paid to life investment clients		(366,071)	(241,670)	—	—
Dividends and trust distributions received		273,877	66,505	7,000	—
Incurred claims treaty settlements		42,261	96,750	—	—
Interest received		1,539	2,378	162	19
Interest on borrowings and other costs of finance		(3,791)	(5,064)	(663)	(3,064)
Income taxes paid		(261)	(5,600)	(741)	(5,600)
Net cash generated/(utilised) by continuing operating activities		**330,437**	**268,887**	**5,065**	**(13,708)**
Net cash generated/(utilised) by operating activities - discontinued operations		**(676)**	**248**	**—**	**—**
Net cash generated/(utilised) by operating activities		**329,761**	**269,135**	**5,065**	**(13,708)**
Cash flows from investing activities					
Net (payment for) / proceeds from the sale of subsidiaries net of transaction costs		—	—	2,030	—
Payment for investment securities in subsidiary and associates		—	—	(2,700)	(30,000)
Payments for investment securities		(1,150,689)	(1,237,520)	—	—
Proceeds from sales of investment securities		923,855	989,664	—	—
Dividend received from associate		240	—	240	—
Acquisition of property, plant and equipment		(19)	(634)	—	—
Acquisition of capitalised software		(12,561)	(5,070)	—	—
Fixed interest deposits redeemed/(invested)		67,469	48,637	—	—
Loans (granted) / repayments received		104	(62)	5,635	7,452
Net cash generated/(utilised) by investing activities - continuing operations		**(171,601)**	**(204,985)**	**5,205**	**(22,548)**
Net cash generated/(utilised) by investing activities - discontinued operations		**104**	**1,270**	**—**	**—**
Net cash generated/(utilised) by investing activities		**(171,497)**	**(203,715)**	**5,205**	**(22,548)**

Consolidated statement of cash flows continued

For the year ended 30 June 2022

		Consolidated		Company	
		2022	2021	2022	2021
	Note	$'000	$'000	$'000	$'000
Cash flows from financing activities					
Net movement in liability of non-controlling interest in unit trusts		(119,372)	(161,418)	—	—
Subordinate debt issue		—	75,000	—	75,000
Repayment of lease liability		(2,848)	(949)	—	—
Repayment of ESP loans		6,744	—	6,744	—
Dividend paid		(6,685)	—	(6,685)	—
Interest on subordinated debt		(4,532)	—	(4,532)	—
Strategic review costs		(1,332)	—	(1,332)	—
Debt drawn down / (repayments)		—	(44,000)	—	(44,000)
Net cash generated/(utilised) in financing activities - continuing operations		**(128,025)**	**(131,367)**	**(5,805)**	**31,000**
Net cash generated/(utilised) in financing activities - discontinued operations		**—**	**—**	**—**	**—**
Net cash generated/(utilised) in financing activities		**(128,025)**	**(131,367)**	**(5,805)**	**31,000**
Net increase/(decrease) in cash and cash equivalents		30,239	(65,947)	4,465	(5,256)
Cash and cash equivalents at the beginning of the financial year		120,496	186,443	8,904	14,160
Cash and cash equivalents at the end of the financial year		**150,735**	**120,496**	**13,369**	**8,904**

To be read in conjunction with the accompanying Notes.

1. About this report

1. About this report

a) General information

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

b) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law.

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

The financial statements were authorised for issue by the Directors on 23 August 2022.

c) Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2 Share-based Payment, leasing transactions that are within the scope of AASB 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in AASB 136 Impairment of Assets.

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

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

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument, amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

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

d) Basis of consolidation

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

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

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

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all

1. About this report continued

relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

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

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

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

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

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

Changes in the Group's ownership interests in existing subsidiaries

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

The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

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

e) Business combinations

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

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

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 Income Taxes and AASB 119 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in

1. About this report continued

accordance with AASB 2 at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 Non-current assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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

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

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

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

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 139, or AASB 137 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

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

f) Materiality

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

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

g) Significant accounting policies

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

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h) Critical judgements and estimates

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

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

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

- Life insurance policy liabilities, including the actuarial methods and assumptions and allocation of expenses between acquisition and maintenance costs (section 5.7);
- Assets arising from reinsurance contracts (section 5.7);
- Recoverability of intangible assets and goodwill (section 4.2);
- Deferred tax assets (section 2.7);
- Further details on the potential impacts of COVID-19 are provided in section 1 (j).

i) Risk management

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

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

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

The Group operates according to the Three Lines of Defence (**3LOD**) model that seeks to clarify roles and accountabilities for managing risk across material risk types.

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

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

- Strategic Risk
- Credit Risk
- Market & Investment Risk
- Liquidity Risk
- Insurance Risk
- Operational Risk
- Compliance Risk

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

1. About this report continued

Insurance management

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

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

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

a) Risk management objectives and policies for mitigating insurance risk

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

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

Reinsurance

ClearView Life purchases reinsurance to limit its exposure to accepted insurance risk. ClearView Life cedes to specialist reinsurance companies a proportion of its portfolio for certain types of insurance risk. This serves primarily to reduce the net liability on large individual risks and provide protection against large losses (claims volatility and systemic risks in the short term). The reinsurers used are regulated by the Australian Prudential Regulation Authority (**APRA**) and are members of large international groups with sound credit ratings.

ClearView Life periodically reviews its reinsurance arrangements and retention levels.

Underwriting procedures

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

Claims management

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

c) Concentration of insurance risk

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

1. About this report continued

d) Pricing risk and terms and conditions of insurance contracts

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

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

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

Liquidity and credit risks

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

The key risk controls include:

- A lump sum incurred claims treaty with the main reinsurer is in place where lump sum claims are settled on a comprehensive earned premium and incurred claims basis (including incurred but not reported claims (**IBNR**) and reported but not admitted claims (**RBNA**) based on best estimate assumptions consistent and based on the applicable Australian Accounting Standards (excluding risk margins, profit margins, and capital margins);
- An incurred claims treaty with the main reinsurer for income protection (**IP**) claims to address the concentration risk. Under the treaty, ClearView LifeSolutions and ClearChoice income protection claims are substantially settled on an earned premium and incurred claims basis. Each quarter, the main reinsurer settles a substantial component of the outstanding income protection claims liabilities, the incurred but not reported claims (**IBNR**) and reported but not admitted claims (**RBNA**) based on the reinsurer's best estimate assumptions and based on the applicable Australian Accounting Standards (excluding risk margins, profit margins and capital margins).
- The main reinsurer retains the duration and matching risk on the IP incurred claims treaty. For both incurred claims treaties, ClearView pays an interest charge on the liabilities related to the settlement of the incurred liabilities. This cost (reported as part of the reinsurance cost) has been included in the FY22 result.
- An irrevocable letter of credit issued by a major Australian bank on behalf of the main reinsurer.
- Assessment of credit risk exposures arising from investment activities by the ClearView Investment Committee (**CIC**) prior to investing ClearView assets into any significant financial asset. The ongoing credit standing of material investments are monitored by the CIC.
- Specific capital reserves are held against credit risk under the regulatory capital requirements of the Group and its subsidiaries including ClearView Life and credit risk is considered within the Group's and individual company's Internal Capital Adequacy Assessment Process (**ICAAP**) (refer to below for further discussion).
- The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient

1. About this report continued

liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. To this end, the Group aims to maintain a high level of cash and cash equivalents and other highly marketable debt investments which are monitored by the CIC.

- The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.
- The Group has a Debt Funding Facility that contains certain loan covenants. Under the agreement, the covenants are monitored on a regular basis and reported to ensure compliance with the facility agreement.

Capital management and reserving

In terms of regulatory requirements:

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

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

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

a) Asset risks

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

b) Asset-Liability mismatch risk

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

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

1. About this report continued

statutory fund are maintained, in accordance with the Board's investment Policy and Guidelines, in high quality, fixed interest assets and cash that generally closely match the duration and inflation characteristics of those policy liabilities and capital reserves. See further details on the investments made to match the claims reserves, capital reserves and excess assets elsewhere in the report.

Outsourcing and supplier management

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

Business continuity and disaster recovery

ClearView is exposed to the risk of disruption to its business operations and IT systems from a host of disasters that vary in degree from minor to catastrophic. Business continuity is the process of restoring the business back to functionality after a crisis. Disaster recovery differs in that it is the process of getting all-important IT infrastructure and operations up and running following an outage.

A key element of the Business Continuity Plan (**BCP**) is the disaster recovery plan, which focuses on the recovery of ClearView's IT systems after a crisis event. Recovery Points and Recovery Timeframes for various business processes and IT systems are defined in the ClearView BCP plan.

In addition, the Crisis Management Team (**CMT**) will consider the approach to pandemic phases and threat levels that is most appropriate to ClearView's operations and will develop a response using the current BCP as a baseline, taking into account all information available to them and the specific set of circumstances.

Compliance and obligation management

ClearView outlines its approach and minimum expectations to meet its compliance obligations in the ClearView Compliance Strategy. The Strategy captures compliance obligations and documents the controls in place to meet the associated obligations as well as the attestations and quality assurance testing processes adopted in regard to compliance assurance.

Culture and conduct

A sound risk culture is integral to the Group's risk management strategy and framework. The Group's approach to risk culture includes:

- the establishment of a common purpose with clear objectives and expectations based on ClearView's Code of Conduct;
- governance and conduct frameworks are in place to foster an ethical and positive culture through communications, continuous education and online training, a remuneration framework designed to promote accountability, encourage and reward appropriate behaviours; and
- regular reporting and monitoring of risk culture indicators to enable an understanding of where issues may exist and provide an opportunity to address them in a timely manner.

j) Coronavirus (COVID-19) impact

Background

The recent further waves of infections and ease of transmission of the Omicron variant since late November 2021, have led to high numbers of COVID-19 infections. Evidence continues to suggest the effectiveness of the vaccines (and boosters) against severe illness. At the time of writing, the Australian Government has shifted away from a "zero-COVID" strategy. As a result, there are now close to no restrictions with international travel also resuming.

The outbreaks have continued to impact significant aspects of everyday lives and the flow on effects to the economy. We have seen the return of inflation at levels not seen for a generation brought about by disrupted supply lines, significant increase in energy costs due to a war in Europe and the impact of catastrophic weather events.

The latest job vacancy data indicates the labour market is incredibly tight and the unemployment rate declined further in June 2022 to 3.5 per cent, and a further decline in unemployment is expected over the months ahead. Beyond that, some increase in unemployment is expected as economic growth slows.

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

1. About this report continued

While the specific areas of judgement as noted in section 1(h) of the report have not changed, the impact of COVID-19 has resulted in the application of further judgement within those identified areas.

Given the dynamic and evolving nature of COVID-19, in particular the longer term impacts (Long COVID), significant uncertainty remains until at least such time as further data and evidence is available.

Changes to the estimates and outcomes that have been applied in the measurement of the Group's assets and liabilities may arise in the future and other than adjusting events that provide evidence of conditions that existed at the end of the reporting period, the impact of events that arise from COVID-19 after the reporting period will be accounted for in future reporting periods.

Impact of COVID-19 and processes applied

To date, COVID-19 related mortality has (for the most part) tended to be in the older and relatively uninsured segment of the population.

There does not appear (to date) to be significant evidence of lapses strictly due to financial hardship associated with COVID-19. There has also not been any observed increase in take-up of premium suspension or waivers or any increase in partial lapses during the lockdown period between June and October 2021 and subsequent to the Omicron outbreak, as observed through the lapse experience in the FY22 year.

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

It was initially expected that an indirect impact on mortality and morbidity from COVID-19 due to economic downturns was likely to outweigh the direct impact (that is, a medical condition caused directly by COVID-19).

Higher inflation and higher interest rates are putting pressure on household budgets. Consumer confidence has also fallen and housing prices are declining in some markets after the large increases in recent years. Working in the other direction, people are finding jobs and obtaining more hours of work. Many households have also built up large financial buffers and the saving rate remains higher than it was before the pandemic.

ClearView has considered the impact of COVID-19 on its claims assumptions. The COVID-19 allowances previously held only applied up to FY22, with no allowances post 30 June 2022.

In light of the current job market and low unemployment rate, it has been considered appropriate to continue to not hold any claims allowances for the indirect (economic) impact from COVID-19. This will continue to be closely monitored given changes in the interest rate environment and likely stress on the economy.

However, claims allowances have been made at 30 June 2022, for the direct (that is, medical) impact from COVID-19.

Further details are provided in the section that follows.

ClearView has also acted swiftly to address the challenges faced by COVID-19. ClearView capital projections and modelling considered business impacts (capital, cash flow and profitability) from COVID-19, including direct COVID-19 claim impacts (based on assumed infection and mortality and morbidity rates), indirect claims impacts (economic downturn induced), asset value impacts, reduced sales and elevated lapses and premium suspension impacts.

CLAL's regulatory capital position remains resilient to each of these scenarios.

The business has to date proven resilient to the health and economic impacts of COVID-19 but is closely monitoring the impacts.

The ClearView Crisis Management Team and the Board have met as needed to monitor the situation.

As a consequence of COVID-19 and in preparing these financial statements, management:

- Evaluated whether there were any additional areas of judgement or estimation uncertainty that was required;
- Continues to monitor inputs into its assumptions for policy liabilities and ECL calculations through the application of forward looking information;
- Reviewed external market information to identify other COVID-19 related impacts (for example guidance from the Institute of Actuaries of Australia and various industry papers);
- Assessed the carrying values of its assets and liabilities and determined the impact thereon as a result of market inputs and variables impacted by COVID-19;

1. About this report continued

- Ran various stress testing scenarios, which are an integral component of Group's risk management framework and a key input to the capital adequacy assessment process, to assess the potential impacts of the COVID-19 pandemic to assist in the organisation's prudent risk management; and
- Considered the impact of COVID-19 on the Groups' financial statement disclosures.

Consideration of the statements of financial position and further disclosures

Key statements of financial position items and related disclosures that have been considered as a result of the impacts from COVID-19 as follows:

Policy liabilities

In response to COVID-19, the Group undertook a review of best estimate assumptions, with a particular focus on claims and lapses to determine impacts and implications from COVID-19. Lapses were discussed in the earlier section of this Note.

The discussion below looks at how each claims benefit type has been considered in proposing a specific claims overlay for COVID-19 as part the best estimate assumptions adopted:

Death Claims

To date, COVID-19 related mortality has (for the most part) tended to be in the older and relatively uninsured segment of the population. ClearView has had three death claims attributable to COVID-19 across its portfolios (all aged 69 or higher).

It is considered reasonable to assume that COVID-19 related death claims will continue to be predominantly caused by variants similar in nature to the Omicron variant in the foreseeable future, and that COVID-19 death claims will primarily impact the population aged 70 years and over.

On balance, taking account the above, an allowance has been applied to the best estimate assumptions at 30 June 2022 for potential COVID-19 related death claims (circa $0.5 million net impact), calibrated by applying the average observed mortality rate to the lives in the ClearView portfolio based on an assumed infection rate.

Trauma Claims

COVID-19 related Trauma claims are expected to arise primarily from the following two sources:

- Increased number of overdue patients due to reduced hospital capacity (for example, as a result of suspensions, isolations and holiday periods);
- Delay in diagnosis or treatment due to decrease in number of screenings, primarily for breast cancers.

ClearView's Trauma policy primarily pays out on three conditions, namely heart attack, stroke and cancer. It is generally accepted that surgeries required for heart attack and stroke are imminent and cannot be delayed, whereas a cancer related condition is paid out on diagnosis (that is, on receipt of a pathology report) as opposed to the delivery of a surgery.

The claims incidence will primarily arise from overdue patients for semi-urgent or non-urgent elective surgeries. Given that the restrictions have now been eased for a while, it is expected that the catch-up of the backlog of semi-urgent surgeries may already be coming through the ClearView portfolio in the six months to 30 June 2022.

On balance, taking account the above, an allowance has been applied to the best estimate assumptions at 30 June 2022 for a small number of COVID-19 related trauma claims due to the progression of early stages of breast cancer to later stages as a consequence of a decrease in number of screenings ($0.12 million impacts net of reinsurance impact).

TPD and Income Protection Claims

Similar to income protection claims, the impact on TPD claims from COVID-19 is expected to be indirect and largely arise from an increased volume of claims where there is an increased level of subjectivity in assessment (particularly from a mental illness or musculoskeletal claims cause). No claims provision is being held currently for COVID-19 related income protection or TPD claims as there has been no evidence to suggest that these claims types have materially increased.

Income protection claims terminations are also being monitored in relation to the general economic conditions.

Long COVID

In Australia, there is limited data currently available with respect to the long-term health impact of COVID-19 (Long COVID-19). There is a variety of research on COVID in the short-term, however there is uncertainty and persistent concerns around the impacts of Long COVID.

In countries with more data on infections such as the United Kingdom (albeit largely associated with the pre-Omicron variants including the Alpha and Delta

1. About this report continued

variants), the outcome of a survey on the infected population that there may be a non-trivial impact from Long COVID-19.

The results from the survey study on 4 June 2022 estimated that 3% of the UK population had some degree of Long COVID symptoms, while 0.6% had their activity limited significantly by Long COVID symptoms. Given that Australia has suffered from Omicron, most COVID-19 infections were post vaccination and not all long COVID-19 cases will result in an income protection claim, the impact in Australia is likely to be lower. As such, ClearView has set up an additional (net of reinsurance) short-term reserve to be held to allow for an increase in income protection claims as a result of Long COVID-19.

As at 30 June 2022, a total provision of $2.1 million (post-tax, net of reinsurance) has been raised at Balance date to cover potential Long COVID-19 related impacts, the potential shorter term impact due to the rising spread of influenza (in particular on the older aged legacy portfolio) and a potential reopening of income protection claims which may emerge in FY23 (as noted earlier in the report). These provisions will continue to be monitored and re-assessed at each reporting period.

Loans and other financial assets

In response to COVID-19 the Group undertook a review of loans and receivables and other financial asset exposures, as applicable, and the ECL for each. The review considered the macroeconomic outlook, customer credit quality, the type of collateral held, exposure at default, and the effect of payment deferral options as at the reporting date.

Right-of-use assets

Included in the right-of-use assets at 30 June 2022 is the Group's property leases. Given the impact of COVID-19, the right of use assets were subject to impairment testing which concluded that no material impairment was required.

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

Intangible assets

Consistent with the Groups accounting policies, the Group has tested goodwill for impairment and has reviewed the carrying value of its finite life intangible assets at the reporting date for indicators of impairment and, where applicable, reviewed the measurement of the carrying value of such intangible assets.

The Goodwill recognised within the Life Insurance and Wealth Management CGU's is tested for impairment triggers using the embedded value methodology by comparing the carrying value of goodwill to the embedded value of the in-force portfolios written to date. 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 as at 30 June 2022 has been calculated based on the following key assumptions and estimates:

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

Debt covenants

Debt-related covenants were assessed to determine whether there were any breaches for which disclosure is required.

As at the reporting date, the Company has a $60 million facility agreement with the National Australia Bank, of which $16 million has been drawn down (FY21: $16 million). The facility is repayable on 1 August 2024 subsequent to the latest amendment in December 2021.

During FY22, interest on the loan accrues at BBSY plus a margin of 0.80% per annum and 0.95% prior to December 2021, and is payable monthly. Furthermore, a line fee of 0.80% per annum (FY21: 0.80%) is payable on the facility on a quarterly basis.

1. About this report continued

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 EBITDA (excluding policyholder net profit and ignoring any effects from the adoption of AASB16) must not be less than 3x interest expense for the preceding 12 month period. Interest expense excludes any costs associated with the incurred claims treaties that are treated as a reinsurance cost.

Furthermore, under the agreement, a review event occurs where the capital base of the life company, ClearView Life falls below the minimum PCA ratio of 1.5x (excluding Pillar 2 and reinsurance concentration risk charges).

Based on the results to 30 June 2022, ClearView has been operating within its covenants under the terms of the Facility Agreement. The Group has not identified any breaches at 30 June 2022 nor at the time at which these financial statements were authorised for issue.

The facility has been secured by a number of cross guarantees, refer to section 9.5 for details.

Life investment policy liabilities and investments backing life investment policy liabilities

Life investment policy liabilities are valued at fair value, which is based on the valuation of the assets held within the unitised investment linked policy investment pools. The investments backing policy liabilities are also valued at their fair value as there would otherwise be an accounting mismatch between the assets are held against investment policy liabilities.

Risk management

The Group's risk management framework continues to be applied and monitored against the impact of COVID-19 on the Group's risk profile. Non-financial risks emerging from movement restrictions, and remote working by our staff, counterparties, clients and suppliers, are being identified, assessed, managed and governed through timely application of the Group's risk management framework. These have been discussed in more detail elsewhere in the report.

2. Results for the year

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

2. Results for the year

2.1 Segment performance

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

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

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

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

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

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

a) Life Insurance ('protection' products)

The Life Insurance business offers advised life insurance products and also has an inforce (closed) portfolio of non-advised life insurance products. As at 30 June 2022, ClearView had combined in-force life insurance premiums of $311 million. The Life Insurance business accounted for circa 90% of ClearView's total revenue during the year.

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

The products provided by ClearView Life include:

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

b) Wealth Management ('investment' products)

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

ClearView provides wealth management products via four primary avenues:

- Traditional products (Master Trust) - Life investment contracts issued by ClearView Life. Products have historically included ordinary savings,

2. Results for the year continued

superannuation and allocated pension products, with the latter two provided via the ClearView Retirement Plan. The Traditional product was not marketed to new customers. In May 2022, ClearView transferred clients from the Traditional (Master Trust) superannuation and allocated pension product, to the more contemporary WealthFoundations product, effectively simplifying the product suite and enabling clients to reengage with a contemporary product. The remaining FUM balances at 30 June 2022 therefore only relates to ordinary savings products;

- WealthSolutions - A superannuation and retirement income wrap (issued via the ClearView Retirement Plan) and an Investor Directed Portfolio Service (**IDPS**) Wrap (provided by CFML). This is offered via the WealthSolutions platform which was launched in December 2011. ClearView selected HUB24 as its strategic wrap platform provider. Under the arrangement, the funds under management (**FUM**) in the WealthSolutions platform product has been successfully migrated to HUB24, with the transition completed in 2H FY21 from a technology perspective. WealthSolutions wrap product offering includes a broad menu of investment funds, ASX listed shares, term deposits, ClearView managed funds and Separately Managed Account (**SMA**) offering. It also provides a number of model portfolios managed by ClearView for superannuation and non superannuation investors;
- WealthSolutions 2 - The WealthSolutions 2 product on the HUB 24 platform is effectively a white labelled product with limited administration fee margins. The use of the ClearView model portfolios and platform funds on the HUB24 platform is therefore the key driver to generate margin from this product.
- WealthFoundations is a mid market wealth management product suite issued from ClearView Life and provided via ClearView Retirement Plan. Products include superannuation and allocated pension products. WealthFoundations includes a menu of investment options with transparent investment in underlying funds. The product is administered in house on the Acurity platform; and
- Managed Investment Schemes (**MIS**) - Products are issued via ClearView Financial Management Limited (**CFML**) as the ASIC licensed Responsible Entity and include MIS products available on ClearView's WealthSolutions platform and other external platforms.

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.

	Total Revenue		Inter-Segment Revenue		Consolidated Revenue	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Segment revenue						
Life Insurance	186,496	178,552	–	–	186,496	178,552
Wealth Management	141,262	110,140	–	–	141,262	110,140
Listed entity/Other	286	57	–	–	286	57
Consolidated segment revenue from continuing operations	**328,044**	**288,749**	**–**	**–**	**328,044**	**288,749**

2. Results for the year continued

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

2022	Life Insurance	Wealth Management	Listed Entity/ Other	Continuing operations - Total	Discontinued operations	Total
Total operating earnings after tax	**28,950**	**(81)**	**(826)**	**28,043**	**(820)**	**27,223**
Equity account minority interest[1]	—	—	534	534	—	534
Underlying investment income	1,609	51	201	1,861	40	1,901
Interest on corporate debt	(1,318)	—	(2,686)	(4,004)	—	(4,004)
Underlying net profit/(loss) after tax	**29,241**	**(30)**	**(2,777)**	**26,434**	**(780)**	**25,654**
Policy liability discount rate effect[2]	(11,346)	—	—	(11,346)	—	(11,346)
Impairments[3]	—	—	—	—	(822)	(822)
Strategic review costs[4]	—	—	(2,400)	(2,400)	—	(2,400)
Sale of Advice Business[6]	—	—	(200)	(200)	11,736	11,536
Other costs[7]	(1,262)	(185)	—	(1,447)	—	(1,447)
Reported profit/(loss)	**16,633**	**(215)**	**(5,377)**	**11,041**	**10,134**	**21,175**
2021						
Total operating earnings after tax	**23,534**	**648**	**(1,151)**	**23,031**	**853**	**23,884**
Underlying investment income	1,350	88	57	1,495	133	1,627
Interest on corporate debt	(821)	—	(1,968)	(2,789)	—	(2,789)
Underlying net profit/(loss) after tax	**24,065**	**735**	**(3,063)**	**21,737**	**986**	**22,722**
Policy liability discount rate effect[2]	(11,372)	—	—	(11,372)	—	(11,372)
Impairments[3]	(1,509)	—	—	(1,509)	—	(1,509)
Wealth project costs[5]	—	(3,087)	—	(3,087)	—	(3,087)
Other costs[7]	—	(160)	—	(160)	87	(73)
Reported profit/(loss)	**11,183**	**(2,512)**	**(3,063)**	**5,608**	**1,073**	**6,679**

1 Share of net profit of investment in associate (Centrepoint Alliance) for 8 month period from 1 November 2021 to 30 June 2022.

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

3 Impairment to right of use asset and provision for associated outgoings as a result of sale of financial advice businesses in FY22. Impairment to receivables from ClearView Retirement Plan in FY21.

4 Costs incurred on the evaluation of strategic options for the potential change in major shareholder. Costs incurred in FY22 relate to preparation of due diligence reports and legal fees incurred to date.

5 Costs associated with transition to HUB24 platform.

6 The gain recognised on the sale of ClearView Financial Advice, Matrix Planning Solutions and LaVista Licensee Solutions to Centrepoint Alliance on 1 November 2021, net of costs to sell. Includes $0.2m of costs in relation to the acquisition of a strategic stake in Centrepoint Alliance.

7 These costs are considered unusual to the ordinary activities of the Group and are therefore not reflected as part of Underlying NPAT. Costs in the amount of $1.0m and $0.3m after tax were recognised in FY22 in relation to the PAS transformation costs and Freedom Insurance remediation costs. Amounts stated are after tax.

2. Results for the year continued

2.2 Earnings per share

	Consolidated	
	2022	2021
Earnings per share - continuing operations (cents)		
Basic earnings (cents)	1.74	0.89
Diluted earnings (cents)	1.73	0.89
Earnings per share (cents)		
Basic earnings (cents)	3.34	1.06
Diluted earnings (cents)	3.32	1.06
Basic earnings per share		
Basic earnings per share is calculated based on profit attributable to shareholders of ClearView Wealth Limited and the weighted average number of ordinary shares outstanding. The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
Profit for the year from continuing operations attributable to owners of the Company ($'000)	11,041	5,606
Earnings used in the calculation of basic earnings per share - continuing operations ($'000)	**11,041**	**5,606**
Profit for the year attributable to owners of the Company ($'000)	21,175	6,679
Earnings used in the calculation of basic earnings per share ($'000)	**21,175**	**6,679**
Weighted average number of ordinary shares for the purpose of basic earnings per share ('000's)	**634,396**	**628,419**
Diluted earnings per share		
Diluted earnings per share is based on profit attributable to shareholders of ClearView Wealth Limited and the weighted average number of ordinary shares outstanding after adjustments for the effects of all dilutive potential ordinary shares, such as options and performance rights issued under the employee rights plan. The earnings used in the calculation of diluted earnings per share are as follows:		
Profit for the year from continuing operations attributable to owners of the Company ($'000)	11,041	5,606
Earnings used in the calculation of total diluted earnings per share - continuing operations ($'000)	**11,041**	**5,606**
Profit for the year attributable to owners of the Company ($'000)	21,175	6,679
Earnings used in the calculation of total diluted earnings per share ($'000)	**21,175**	**6,679**
The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:		
Weighted average number of ordinary shares used in the calculation of basic earnings per share (000's)	634,396	628,419
Shares deemed to be dilutive in respect of the employee rights plan (000's)	2,573	–
Weighted average number of ordinary shares used in the calculation of diluted earnings per share (all measures) (000's)	**636,969**	**628,419**

2. Results for the year continued

2.3 Dividends

	Consolidated and Company			
	2022		2021	
	Per share	$'000	Per share	$'000
Dividend payments on Ordinary shares				
2021 final dividend (2021: 2020 final dividend) (cps)	1.0	6,683	–	–
Total dividends on ordinary shares paid to owners of the Company	**1.0**	**6,683**	**–**	**–**
Dividends not recognised in the consolidated statement of financial position				
Dividends declared since balance date				
2022 final dividend (2021: 2021 final dividend) (cps)	2.0	13,221	1.0	6,694
Dividend franking account				
Amount of franking credit available for subsequent reporting periods based on a tax rate of 30% (2021: 30%)		27,286		30,913

The Directors have declared a fully franked $13.2 million cash dividend for the year ended 30 June 2022 (2021: $6.7 million), equivalent to 2 cents per share (FY21: 1 cent per share). This represents 47% (FY21: 30%) of Operating Earnings After Tax and is just under the mid point of the target payout ratio of 40%-60%.

The franking account balance is calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends (including dividends declared but not recognised in the financial statements) (FY22 dividend franking account has been reduced by the franking credit related to dividend declared but not recognised in the financial statement).

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

2. Results for the year continued

2.4 Fee and other revenue

	Consolidated		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Funds management fees	36,664	38,256	—	—
Gain on sale of investments in subsidiaries	—	—	6,739	—
Other income	680	522	—	476
Total fee and other revenue	**37,344**	**38,778**	**6,739**	**476**

Fee revenue from contracts from customers

Fee revenue from contracts with customers arises primarily from the provision of investment management. Revenue is recognised when control of services is transferred to the customer at an amount that reflects the consideration which ClearView is entitled to in exchange for the services provided. As the customer simultaneously receives and consumes the benefits as the service is provided, control is transferred over time. Accordingly, revenue is recognised over time.

Fee rebates provided to customers are recognised as a reduction in fee revenue.

Investment management and related fees

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

Gain on sale of investments in subsidiaries

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

2.5 Investment income

	Consolidated		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Interest income	19,224	16,441	2,047	1,226
Dividend income	15,028	10,503	7,000	—
Distribution income	72,250	45,825	—	—
Total investment income	**106,502**	**72,769**	**9,047**	**1,226**

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2. Results for the year continued

Dividend income

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

Distribution income

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

2.6 Operating expenses

	Consolidated		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Administration expenses				
Administration and other operational costs	39,999	36,070	4,378	6,398
Custody and investment management expenses	7,932	8,648	—	—
Total administration expenses	**47,931**	**44,718**	**4,378**	**6,398**
Employee costs and directors' fees				
Government grant - JobKeeper payments	—	(2,416)	—	—
Employee expenses	53,457	54,299	9	4
Share based payments	376	33	—	—
Employee termination payments	785	1,069	—	—
Directors' fees	946	758	621	311
Total employee costs and directors' fees	**55,564**	**53,743**	**630**	**315**
Other expenses				
Interest and other costs of finance	8,718	5,758	4,880	3,273
Total other expenses	**8,718**	**5,758**	**4,880**	**3,273**
Total operating expenses	**112,213**	**104,219**	**9,888**	**9,986**

	Consolidated		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Depreciation and amortisation expenses				
Depreciation expenses	263	415	—	—
Software amortisation	2,741	3,207	—	—
Depreciation of right-of-use assets	3,079	2,158	—	—
Total amortisation and depreciation expenses	**6,083**	**5,780**	**—**	**—**

2. Results for the year continued

	Consolidated		Company	
	2022 $	2021 $	2022 $	2021 $
Remuneration of auditors				
Auditor of the parent entity				
Audit and review of financial reports	311,450	286,110	98,750	95,880
Audit of APRA and ASIC regulatory returns	154,250	192,390	—	—
Audit of Managed Investment Schemes	86,100	76,500	—	—
Total remuneration for audit services	**551,800**	**555,000**	**98,750**	**95,880**
Preparation and lodgement of tax returns	97,000	104,500	97,000	96,500
Other non-audit services - taxation advice	69,500	101,000	—	15,000
Other non-audit services - compliance	—	56,915	—	12,000
Total remuneration for non-audit services	**166,500**	**262,415**	**97,000**	**123,500**
Total remuneration	**718,300**	**817,415**	**195,750**	**219,380**

JobKeeper

The Group recognised JobKeeper under AASB 120 Accounting for Government Grants and Disclosure of Government Assistance because they are being provided by the Government in return for compliance with conditions relating to the operating activities of the Group. In return for the 'JobKeeper' payments, the Group must pay the amounts on to employees as a result of COVID-19.

Government grant income is only recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them, and the grant will be received. Conditions for receiving the job keeper payments include:

- The employer must be eligible, that is, they must have applied the rules for eligibility correctly, and
- The employer must have paid requisite salaries to employees (minimum amount of $1,500 per fortnight).

It is the Group's policy to net off JobKeeper government grant income against salaries expense.

2. Results for the year continued

2.7 Taxes

Income tax

	Consolidated		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
a) Income tax recognised in profit or loss				
Income tax expense/(benefit) comprises:				
Current tax expense/(benefit)	(1,768)	(7,444)	(2,316)	(1,809)
Deferred tax expense/(benefit)	(7,528)	5,646	324	(326)
Over provided in prior years – current tax expense/(benefit)	11	(1,273)	—	(249)
Under provided in prior years – deferred tax expense/(benefit)	—	570	—	268
Income tax expense/(benefit)	**(9,285)**	**(2,501)**	**(1,992)**	**(2,116)**
b) Tax losses				
Unused tax losses for which no deferred tax asset has been	11,079	1,167	1,463	1,167
Potential tax benefit	1,400	350	439	350

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

	Consolidated		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
c) Reconciliation of income tax expense to prima facie tax payable				
Profit before income tax expense	1,756	3,105	6,432	(8,284)
Policyholder tax (expense) credit recognised as part of the change in policyholder liabilities in determining profit before tax	15,051	3,824	—	—
Profit before income tax excluding tax charged to policyholders	**16,807**	**6,929**	**6,432**	**(8,284)**
Prima facie tax calculated at 30%	5,042	2,079	1,930	(2,485)
Tax effect of amounts which are non deductible/assessable in calculating taxable income:				
Dividends received from subsidiaries	—	—	(2,100)	—
Non assessable book gain on sale	—	—	(2,022)	—
Non assessable income	(1,001)	(819)	(160)	—
Non deductible transaction costs	780	—	780	—
Other non deductible expenses	209	385	53	350
Deductible costs	—	—	(473)	—
Over (under) provision in prior years	736	(322)	—	19
Other	—	—	—	—
Income tax expense/(benefit) attributable to shareholders	**5,766**	**1,323**	**(1,992)**	**(2,116)**
Income tax expense/(benefit) attributable to policyholders	**(15,051)**	**(3,824)**	**—**	**—**
Income tax expense/(benefit)	**(9,285)**	**(2,501)**	**(1,992)**	**(2,116)**
d) Amounts recognised directly in equity				
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or (credited) to equity:				
Current tax	—	—	—	—
Deferred tax	—	—	—	—

2. Results for the year continued

	Consolidated		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Deferred tax balances				
Deferred tax assets[1]				
The balance comprises temporary differences attributable to:				
Accruals not currently deductible	877	1,020	170	55
Depreciable and amortisable assets	673	1,109	—	—
Provisions not currently deductible	3,604	4,562	292	802
Unrealised losses carried forward	6,452	2	—	—
Capital business expense	89	132	—	—
Lease assets	220	—	—	—
Deferred tax asset	**11,915**	**6,825**	**462**	**857**
Deferred tax liabilities				
The balance comprises temporary differences attributable to:				
Unrealised gains on investments	—	1,602	—	—
Prepaid expenses	492	542	—	—
Lease assets	—	139	—	—
Fees not derived	—	—	—	—
Capitalised expenses	114	184	114	184
Deferred tax liability	**606**	**2,467**	**114**	**184**

1 Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. Tax losses (including capital losses) that is no longer available to be carried forward and utilised in the future is not disclosed. Tax losses that are available to be carried forward and utilised but remained unused at balance date for which no deferred tax assets have been recognised are attributable to tax losses of a capital nature of $11.1 million (tax effected $1.4 million) consolidated, of which $9.6 million (tax effected $1.0 million) relating to life investment contracts (30 June 2021: tax losses of a capital nature of $1.2 million with tax effected $0.4 million, none of which relating to life investment contracts), and $1.5 million (tax effected $0.5 million) for the Company.

Taxation

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

Current tax

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

Deferred tax

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

2. Results for the year continued

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

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

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

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (**GST**), except:

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

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

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

Relevance of tax consolidation to the Group

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

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

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

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

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

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

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

The financial advice businesses include the following entities:

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

2. Results for the year continued

Critical accounting estimates and key sources of uncertainty

Deferred tax asset – timing differences

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

Deferred tax asset – capital losses

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

As at the reporting date, the DTA cap has impacted the DTA amount recognised in respect of the carried forward realised and unrealised capital losses and it is unlikely that these losses in excess of the cap can be fully recovered in the foreseeable future. They are therefore unrecognised DTA on these losses.

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

CRP receivable

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

As at 30 June 2022, CLAL and CWL carried a receivable of $3.9 million (30 June 2021: $10.5 million). This is after a write down of $0.9 million in the current year in respect of the FY21 income tax year (2021: $1.7 million for the FY20 income tax year) driven by the reduction of the carried forward losses in CRP against its net current pension exempt income in the respective year. In addition, a provision of $0.6 million (30 June 2021: 1.5 million) for the receivable was held for future expected loss.

Due to the tax loss position in CRP, settlement of this amount is subject to the utilisation of tax losses. Based on the current year's utilisation of the carried forward tax losses and the taxable income from CRP, apart from the amount provided for, it is expected that the remaining receivable amounts will be recoverable.

3. Receivables, payables and investments

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

- An overview of the financial instruments held by the group
- Accounting policies
- Information about determining the fair value of the instruments, including judgments and estimation uncertainty.

3. Receivables, payables and investments

3.1 Receivables

	Consolidated		Company	
	30 June 2022 $'000	30 June 2021 $'000	30 June 2022 $'000	30 June 2021 $'000
Trade receivables	48	184	—	—
Outstanding life insurance premium receivable	7,703	5,525	—	—
Provision for outstanding life insurance premiums	(827)	(662)	—	—
Other premium receivable[1]	12,173	8,783	—	—
Accrued dividends	456	754	—	—
Investment income receivable	132	359	350	278
Outstanding settlements	897	1,283	—	—
Prepayments	3,253	3,460	48	66
Receivables from controlled entities	—	—	9,914	4,168
Related party receivables net of provision[3]	3,954	9,780	2,913	8,547
Loans receivable[2]	4,130	6,157	1,937	2,504
Provision for loans receivable	(974)	(2,697)	(974)	(1,252)
Other debtors	4,058	3,005	1,849	(4)
Total receivables	**35,003**	**35,931**	**16,037**	**14,307**

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

2 Loan receivable includes $1.9 million (30 June 2021: $2.5 million) loans to KMP, which are related to the ESP Plan.

3 Includes receivables from CRP $3.9 million (30 June 2021: $10.5 million) net of provision of $0.6 million (30 June 2021: $1.5 million).

Receivables

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

The Group has recognised ECL's of $1.0 million (Company $1.0 million) (30 June 2021: Group $4.2 million and Company $3.1 million) on loans receivable. There were no other material ECL's on financial assets at the balance date.

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

3. Receivables, payables and investments continued

3.2 Payables

	Consolidated		Company	
	30 June 2022 $'000	30 June 2021 $'000	30 June 2022 $'000	30 June 2021 $'000
Trade payables	10,861	8,665	1,687	518
Reinsurance premium payable	28,774	26,551	—	—
Employee entitlements	6,091	6,337	2	—
Life insurance premiums in advance	546	330	—	—
Life investment premium deposits	535	268	—	—
Payables to controlled entities	—	—	192	—
Outstanding investment settlements	7	81	—	—
Other creditors	3,483	3,047	999	797
Total payables	**50,297**	**45,279**	**2,880**	**1,315**

Payables

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

Employee benefits

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

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

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

Termination benefit

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

3. Receivables, payables and investments continued

3.3 Investments

	Consolidated		Company	
	30 June 2022 $'000	30 June 2021 $'000	30 June 2022 $'000	30 June 2021 $'000
Equity securities				
Investment in Group Companies	—	—	403,278	409,081
Held directly	193,839	225,892	—	—
Held indirectly via unit trust	768,258	844,179	—	—
	962,097	**1,070,071**	**403,278**	**409,081**
Debt securities/fixed interest securities[1,2]				
Held directly	573,002	594,762	30,000	30,000
Held indirectly via unit trust	572,009	556,409	—	—
	1,145,011	**1,151,171**	**30,000**	**30,000**
Property/Infrastructure				
Held indirectly via unit trust	182,516	235,725	—	—
	182,516	**235,725**	—	—
Total investments	**2,289,624**	**2,456,967**	**433,278**	**439,081**

1 In December 2020, ClearView updated its investment strategy and appointed PIMCO with a specialist investment mandate to manage, in close consultation with ClearView's actuaries, the shareholder funds that match the insurance liabilities in the life company. The asset liability management solution has been appropriately calibrated and aligned with the business risk appetite. The mandate allows for the consolidation of shareholder funds into a single mandate and replaces the previous strategy of investing short duration shareholder funds in bank term deposits and longer duration assets in index bond funds. At 30 June 2022 an investment of $394.0 million including $385.1 million in interest securities and $8.9 million in cash (30 June 2021: $311.3 million including $304.5 million in interest securities and $6.9 million in cash) was held in the PIMCO funds.

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

Financial instruments

Recognition and derecognition of financial assets and liabilities

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

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

Financial assets and liabilities

Financial assets measured at fair value through profit or loss

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

The Group has elected to use their fair value option for investments as there would otherwise be an accounting

3. Receivables, payables and investments continued

mismatch as the assets are held against investment policy liabilities.

Financial assets at amortised cost (debt instruments)

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

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

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

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

Impairment of financial assets

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

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

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

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

Offsetting of financial instruments

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

Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3. Receivables, payables and investments continued

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
30 June 2022				
Equity Securities	193,839	—	—	193,839
Fixed Interest Securities	—	573,002	—	573,002
Unit Trusts	1,522,783	—	—	1,522,783
Total	**1,716,622**	**573,002**	**—**	**2,289,624**
30 June 2021				
Equity Securities	225,892	—	—	225,892
Fixed Interest Securities	—	594,762	—	594,762
Unit Trusts	1,636,313	—	—	1,636,313
Total	**1,862,205**	**594,762**	**—**	**2,456,967**
Financial Liabilities				
30 June 2022				
Life investment policy liability	—	1,295,378	—	1,295,378
Total	**—**	**1,295,378**	**—**	**1,295,378**
30 June 2021				
Life investment policy liability	—	1,392,291	—	1,392,291
Total	**—**	**1,392,291**	**—**	**1,392,291**

3.4 Financial risk management

Management of Financial Instruments

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

a) Financial risk management objectives

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

3. Receivables, payables and investments continued

b) Market risk

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

Interest rate risk

Interest rate risk arises on ClearView's assets which are invested in fixed interest funds and cash. Interest rate risk is managed by the Group through:

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

Equity price risk

Equity price risk is the risk that the fair value of investments in equities decreases or increases as a result of changes in market prices, whether those changes are caused by factors specific to the individual share price or factors affecting all equity instruments in the market. As at 30 June 2022, ClearView's shareholder related assets were not invested in equities and therefore not exposed to equity price risk.

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

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

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

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

c) Credit risk

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

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

Credit risk arising from other third party transactions, such as reinsurance recovery exposures and exposure to outsource service providers, are assessed prior to entering into transactions with those parties, approved by the Board where material, and are monitored on an ongoing basis. ClearView does have a concentration risk with Swiss Re and this is managed in accordance with the processes outlined on page 88. Specific capital reserves are held against credit risk under the regulatory capital requirements of ClearView Life and credit risk is considered within the Company's ICAAP.

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

3. Receivables, payables and investments continued

	Consolidated		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Cash and cash equivalents and debt securities/fixed interest securities				
Rating				
AAA	295,135	225,123	—	—
AA	132,539	165,452	13,369	8,904
A	37,828	36,742	—	—
BBB	38,616	35,808	—	—
	504,118	**463,125**	**13,369**	**8,904**

In addition to the credit risk exposures above, the Group's balance sheet as at 30 June 2022 reflects a $26.4 million (30 June 2021: $70.6 million) exposure to Swiss Re Life & Health Australia Ltd in relation to reinsurer's share of policy liabilities. Credit risk associated with receivables is considered minimal. The main receivables balance is in relation to receivables from outstanding premiums receivable, accrued dividends, loans receivable, prepayments, outstanding settlements and related party receivables. The concentration of other receivables is spread across the various debtors with no single significant debtor except for related party receivables. Further details on the related party receivable recoverability is outlined in section 8.3.

d) Liquidity risk

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

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

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

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

3. Receivables, payables and investments continued

The following tables summarise the realisation profile of financial assets at the reporting date. There were no financial assets past due or impaired at the reporting date other than those provided for.

						Consolidated
2022	Less than 3 months $'000	3 to 6 months $'000	6 months to a year $'000	1 year and over $'000	Over 5 years $'000	Total $'000
Receivables	5,003	—	—	—	—	5,003
Outstanding life insurance premiums net of provision	6,859	11	6	—	—	6,876
Other premium receivable	—	—	12,173	—	—	12,173
Accrued dividends	456	—	—	—	—	456
Investment income and distribution income	132	—	—	—	—	132
Loan receivables	—	—	—	3,156	—	3,156
Prepayments	2,111	574	435	133	—	3,253
Related party receivable net of provision	1,041	—	—	2,913	—	3,954
Total	**15,602**	**585**	**12,614**	**6,202**	**—**	**35,003**
2021						
Receivables	3,849	89	175	263	—	4,376
Current tax receivable	—	2,972	—	—	—	2,972
Outstanding life insurance premiums net of provision	4,863	—	—	—	—	4,863
Other premium receivable	—	8,783	—	—	—	8,783
Accrued dividends	754	—	—	—	—	754
Investment income and distribution income	359	—	—	—	—	359
Loan receivables	81	88	183	3,204	—	3,556
Prepayments	2,046	179	610	625	—	3,460
Related party receivable	1,232	—	—	8,548	—	9,780
Total	**13,184**	**12,111**	**968**	**12,640**	**—**	**38,903**

						Company
2022	Less than 3 months $'000	3 to 6 months $'000	6 months to a year $'000	1 year and over $'000	Over 5 years $'000	Total $'000
Trade receivables	1,872	18	7	—	—	1,897
Receivables from controlled entities	10,264	—	—	—	—	10,264
Loan receivables	—	—	—	963	—	963
Related party receivables	—	—	—	2,913	—	2,913
Total	**12,136**	**18**	**7**	**3,876**	**—**	**16,037**
2021						
Trade receivables	40	19	3	—	—	62
Current tax receivable	—	2,972	—		—	2,972
Receivables from controlled entities	4,446	—	—	—	—	4,446
Loan receivables	—	—	—	1,252	—	1,252
Related party receivables	—	—	—	8,547	—	8,547
Total	**4,486**	**2,991**	**3**	**9,799**	**—**	**17,279**

3. Receivables, payables and investments continued

The following tables summarise the maturity profile of the Group and the Company's financial liabilities all of which are non-interest bearing. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

						Consolidated
2022	Less than 3 months $'000	3 to 6 months $'000	6 months to a year $'000	1 year and over $'000	Over 5 years $'000	Total $'000
Payables	20,965	558	—	—	—	21,523
Current tax liabilities	—	1,425	—	—	—	1,425
Provisions	1,733	2,009	1,200	1,379	—	6,321
Reinsurance payable[1]	28,774	—	—	—	—	28,774
Total	**51,472**	**3,992**	**1,200**	**1,379**	**—**	**58,043**
2021						
Payables	17,720	1,008	—	—	—	18,728
Provisions	1,081	2,416	2,689	1,373	—	7,559
Reinsurance payable[1]	26,551	—	—	—	—	26,551
Total	**45,352**	**3,424**	**2,689**	**1,373**	**—**	**52,838**

						Company
2022	Less than 3 months $'000	3 to 6 months $'000	6 months to a year $'000	1 year and over $'000	Over 5 years $'000	Total $'000
Payables	2,880	—	—	—	—	2,880
Current tax liabilities	—	1,425	—	—	—	1,425
Provisions	—	19	—	—	—	19
Total	**2,880**	**1,444**	**—**	**—**	**—**	**4,324**
2021						
Payables	1,315	—	—	—	—	1,315
Provisions	—	19	1,418	—	—	1,437
Total	**1,315**	**19**	**1,418**	**—**	**—**	**2,752**

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

Interest rate risk management

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

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

At 30 June 2022, $394.0 million including $385.1 million in interest securities and $8.9 million in cash (30 June 2021: $311.0 million including $304.5 million in interest securities and $6.5 million in cash) is invested in the PIMCO funds. An overall investment loss of $5.4 million after tax was made in the year ended 30 June 2022 (FY21: loss of $0.5 million).

3. Receivables, payables and investments continued

The tables below detail the shareholder's exposure to interest rate risk at the balance sheet date by the earlier of contractual maturities or re-pricing.

	Consolidated		Company	
2022	Weighted average interest rate %	Balance $'000	Weighted average interest rate %	Balance $'000
Financial assets				
Cash and cash equivalents	0.07	107,182	0.07	13,369
Fixed interest securities	—	394,039	—	—
Total		**501,221**		**13,369**
2021				
Financial assets				
Cash and cash equivalents	0.05	81,917	0.05	8,904
Fixed interest securities	—	311,373	—	—
Total		**393,290**		**8,904**

Interest rate sensitivity analysis for floating rate financial instruments

The sensitivity analysis below has been determined based on the Group's exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. In the case of instruments that have floating interest rates, a 0.5% (2021: 0.5%) increase or decrease is used when reporting interest risk internally to key management personal and represents management's assessment of the reasonably possible change in interest rates.

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

3. Receivables, payables and investments continued

	Effect on operating profit		Effect on securities		Effect on operating profit		Effect on securities	
	Consolidated		Consolidated		Company		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
±1% (2021: ±0.5%)	±4,102	±1,239	±4,102	±1,239	±134	±31	±134	±31

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

Fair value sensitivity analysis for fixed rate financial instruments

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

e) Foreign currency risk management

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

Forward foreign exchange contracts

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

4. Non-financial assets and liabilities

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

- Specific information about each type of non-financial asset and non-financial liability
- Goodwill and intangibles
- Provisions
- Accounting policies

4. Non-financial assets and liabilities

4.1 Goodwill and intangibles

					Consolidated
2022	**Goodwill $'000**	**Capitalised software $'000**	**Client Book $'000**	**Matrix Brand $'000**	**Total intangibles $'000**
Gross carrying amount					
Balance at the beginning of the financial year	20,452	54,056	65,017	200	119,273
Acquired directly during the year[1]	—	12,560	—	—	12,560
Disposals (see section 8.5 (c))	—	—	—	(200)	(200)
Balance at the end of the financial year	**20,452**	**66,616**	**65,017**	**—**	**131,633**
Accumulated amortisation and impairment losses					
Balance at the beginning of the year	7,941	46,537	64,987	—	111,524
Amortisation expense in the current year	—	2,741	—	—	2,741
Balance at the end of the financial year	**7,941**	**49,278**	**64,987**	**—**	**114,265**
Net book value					
Balance at the beginning of the financial year	12,511	7,519	30	200	7,749
Balance at the end of the financial year	**12,511**	**17,338**	**30**	**—**	**17,368**
2021	**Goodwill $'000**	**Capitalised software $'000**	**Client Book $'000**	**Matrix Brand $'000**	**Total intangibles $'000**
Gross carrying amount					
Balance at the beginning of the financial year	20,452	48,986	65,017	200	114,203
Acquired directly during the year	—	5,070	—	—	5,070
Balance at the end of the financial year	**20,452**	**54,056**	**65,017**	**200**	**119,273**
Accumulated amortisation and impairment losses					
Balance at the beginning of the year	7,941	43,330	64,985	—	108,315
Amortisation expense in the current year	—	3,207	2	—	3,209
Balance at the end of the financial year	**7,941**	**46,537**	**64,987**	**—**	**111,524**
Net book value					
Balance at the beginning of the financial year	12,511	5,656	32	200	5,888
Balance at the end of the financial year	**12,511**	**7,519**	**30**	**200**	**7,749**

1 Includes $11.9 million (30 June 2021: $3.5 million) of capitalised costs in relation to the capitalisation of configuration and customisation costs in SaaS arrangements.

4. Non-financial assets and liabilities continued

As required under accounting standards the Group completes an impairment assessment at each reporting date. As at 30 June 2022, no impairment charge was recognised (2021: nil). This is discussed further in section 4.2.

Goodwill and Intangibles accounting policy

Goodwill

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

Capitalised software

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

Capitalisation of configuration and customisation costs in SaaS arrangements

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

During the financial year, the Group recognised $11.9 million (2021: $3.5 million) as intangible assets in respect of customisation and configuration costs incurred in implementing SaaS arrangements. These intangible assets are amortised on a straight-line basis with the new PAS being amortised over the useful life of 10 years. As at 30 June 2022, the accumulated amortisation of $0.6 million (30 June 2021: nil) has been recognised for the intangible assets in use, of which the new PAS has been brought into use since October 2021.

Client books

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

Amortisation

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

	2022	2021
Software	Up to 3 years, with major core software infrastructure amortised over a period up to 10 years	Up to 3 years
Client books	6–10 years	6–10 years
Goodwill	Indefinite	Indefinite

Impairment testing

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

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

4.2 Recoverability of intangible assets and goodwill

Goodwill and client book intangibles

The goodwill and intangibles primarily arose from the acquisition of:

- the business of Community and Corporate Pty Limited in April 2009;

4. Non-financial assets and liabilities continued

- 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 goodwill was allocated as follows:

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

The goodwill recognised within the Life Insurance and Wealth Management 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 Wealth Management and Life Insurance CGU's has been determined based on the embedded value calculations as at 30 June 2022. The embedded value is a calculation that represents the economic value of the shareholder capital in the business and the future profits expected to emerge from the business currently in-force expressed in today's dollars. No account is taken of future new business in the embedded value calculations.

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

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

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

A risk free rate of 3.5% has been adopted for the purposes of the embedded value calculations at 30 June 2022 (FY21: 2%) with a range of discount range margins of 3%, 4% and 5% above the risk free rate.

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

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

As at 30 June 2022, no impairment was required to the carrying value of goodwill within the Life Insurance and Wealth Management CGU's. The carrying value of the Financial Advice Goodwill and client book intangibles was fully impaired in the 2019 financial year and the financial advice businesses were subsequently sold in 2021.

Matrix Brand

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

Capitalised software impairment

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

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

As at 30 June 2022, no impairment was required to the carrying value of capitalised software.

4. Non-financial assets and liabilities continued

4.3 Provisions

	Consolidated		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Current and non current				
Make good provision	193	169	—	—
Employee leave provisions	5,044	5,477	—	—
Provision for restructuring	693	—	—	—
Provision for onerous lease	168	—	—	—
Other provisions	223	1,913	19	1,437
Total	**6,321**	**7,559**	**19**	**1,437**

Movement of each class of provision during the financial year is set out below:

						Consolidated
2022	Make good provision[1]	Employee leave provision[2]	Provision for restructuring[3]	Provision for onerous lease	Other provision[4]	Total
Balance at the beginning of the financial year	169	5,477	—	—	1,913	7,559
Additional provisions raised	24	1,567	693	250	87	2,621
Utilised during the period	—	(872)	—	(82)	(1,475)	(2,429)
Unutilised provisions (net of recoveries) transferred	—	—	—	—	54	54
Transferred as part of the sale of Advice Business	—	(1,128)	—	—	—	(1,128)
Disposed as part of the sale of Advice Business	—	—	—	—	(356)	(356)
Balance at the end of the financial year	**193**	**5,044**	**693**	**168**	**223**	**6,321**
2021						
Balance at the beginning of the financial year	565	4,762	82	—	1,621	7,030
Additional provisions raised	277	1,349	—	—	1,195	2,821
Utilised during the period	(512)	(634)	(82)	—	(903)	(2,131)
Non-utilised provisions transferred	(161)	—	—	—	—	(161)
Balance at the end of the financial year	**169**	**5,477**	**—**	**—**	**1,913**	**7,559**

Company	Other provision	
	2022	2021
Balance at the beginning of the financial year	1,437	847
Additional provisions raised	26	873
Utilised during the period	(1,444)	(283)
Balance at the end of the financial year	**19**	**1,437**

1 The provision for make good represents the accrued liability for expected costs in relation to the restoration of leased premises on the termination of the lease. The provisions are expected to be settled on vacating the leased premises on expiration of the relevant lease.

2 The provision for employee leave represents annual leave and long service leave entitlements accrued by employees. The provisions are expected to be utilised in accordance with the pattern of consumption of employees utilising their leave entitlements.

3 The provision for restructuring relates to the expected costs in relation to the risk and compliance project.

4 Other provisions at 30 June 2021 related predominately to wealth program.

4. Non-financial assets and liabilities continued

Accounting policy

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Annual leave

Liability for annual leave is recognised at the nominal amounts unpaid at the reporting date using remuneration rates that are expected to be paid when the liability is settled, including on-costs.

Long service leave

A liability for long service leave is recognised as the present value of estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The estimated future cash outflows are discounted using corporate bond yields which have terms to maturity that match, as closely as possible, the estimated future cash outflows. Factors which affect the estimated future cashflows such as expected future salary increases and experience of employee departures, are incorporated in the measurement.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Restructurings

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

5. Life insurance and investment contracts

The Group's Life insurance activities are conducted through it's registered life insurance company ClearView Life Assurance Limited. This section explains how ClearView Life Assurance measures its life insurance and investment contracts, including the methodologies and key assumptions applied.

It also details the key components of the profits that are recognised in respect of the life insurance contracts and the sensitivities of those profits to variations in assumptions.

5. Life insurance and investment contracts

5.1 Accounting for life insurance and investment contracts

Principles underlying the conduct of life insurance business

The life insurance operations of the Group are conducted within separate statutory funds as required by the Life Insurance Act 1995 (Life Act) and are reported in aggregate with the shareholders' funds in the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows. The life insurance operations consist of the provision of life insurance and life investment contracts.

Life insurance contracts involve the acceptance of significant insurance risk. Insurance risk is defined as significant if, and only if, an insured event could cause an insurer to pay significant benefits in any scenario, excluding scenarios that lack commercial substance. Insurance contracts include those where the insured benefit is payable on the occurrence of a specified event such as death, injury or disability caused by accident or illness. The insured benefit is not linked to the market value of the investments held by the Group, and the financial risks are substantially borne by the Group.

Any contracts issued by the Group and regulated under the Life Act that do not meet the definition of a life insurance contract are classified as life investment contracts. Life investment contracts include investment-linked contracts where the benefit is directly linked to the market value of the investments held in the particular investment linked fund.

While the underlying assets are registered in the name of ClearView Life Assurance Limited (ClearView Life) and the investment-linked policy owner has no direct access to the specific assets, the contractual arrangements are such that the investment-linked policy owner bears the risks and rewards of the fund's investment performance.

A component of the life investment contracts includes a minimum unit price guarantee. ClearView Life derives fee income from the administration of investment linked funds. Life investment contracts do not contain any discretionary participation features (i.e. those where the amount or timing of allocation of the profit from the underlying investments is at the discretion of the insurer).

In accordance with AASB 1038 'Life Insurance Contracts', financial assets backing policy liabilities are designated at fair value through profit and loss. ClearView Life has determined that all assets held within the statutory funds back policy liabilities. Financial assets backing policy liabilities consist of high quality investments such as cash and fixed income securities. The management of financial assets and policy liabilities is closely monitored to ensure that investments are appropriate given the expected pattern of future cash flows arising from the policy liabilities.

Premium revenue

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

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

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

Premiums and contributions on life investment contracts are treated as deposits and are reported as a movement in life investment contract liabilities.

Claims

Life insurance contracts

Claims incurred relate to life insurance contracts and are treated as expenses. Claims are recognised upon notification of the insured event. The liability in respect of claims includes an allowance (estimate) for incurred but not reported claims and an allowance (estimate) for expected declination of notified claims. Claims are shown gross of reinsurance recoverable. Any reinsurance recoveries applicable to the claims are included in receivables.

Life investment contracts

There is no claims expense in respect of life investment contracts. Surrenders and withdrawals which relate to life investment contracts are treated as a movement in life investment contract liabilities.

5. Life insurance and investment contracts continued

Surrenders and withdrawals are recognised as at the date of redemption of policy units, which occurs once all documentation has been provided and completed.

Reinsurance

Amounts paid to reinsurers under life insurance contracts held by ClearView Life are recorded as an outward reinsurance expense and are recognised in the statement of profit or loss and other comprehensive income from the reinsurance premium payment due date. Reinsurance recoveries receivable on claims incurred are recognised as revenue. Recoveries are assessed in a manner similar to the assessment of life insurance contract liabilities. Recoveries are measured as the present value of the expected future receipts, calculated on the same basis as the life insurance contract liabilities.

Policy acquisition costs

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

The acquisition costs incurred in relation to life insurance contracts are capitalised in the valuation of policy liabilities.

Basis of expense apportionment

All expenses of the life insurance business incurred by ClearView Life and charged to the statement of profit or loss and other comprehensive income have been apportioned in accordance with Part 6, Division 2 of the Life Act. These expenses are related to non-participating business as ClearView Life only write this category of business.

The basis is as follows:

- Expenses relating specifically to either the ClearView Life shareholder's fund or a particular statutory fund are allocated directly to the respective funds. Such expenses are apportioned between policy acquisition costs and policy maintenance costs with reference to the objective when each expense is incurred and the outcome achieved.
- Other expenses are subject to apportionment under section 80 of the Life Act and are allocated between the funds in proportion to the activities to which they relate. They are apportioned between policy acquisition costs and policy maintenance costs in relation to their nature as either acquisition or maintenance activities. Activities are based on direct measures such as time, head counts and business volumes.
- Life investment contracts are held within statutory funds No.2 and No.4. Life insurance contracts are held within statutory fund No.1. The allocation of expenses between the primary life investment or life insurance contracts is inherent in the allocation to the statutory funds, as described above. The apportionment basis is in line with the principles set in the Life Insurance Prudential Standard valuation standard (Prudential Standard LPS340 Valuation of Policy Liabilities).

Policy liabilities

Policy liabilities consist of life insurance policy liabilities and life investment policy liabilities.

Life insurance contracts

The value of life insurance policy liabilities is calculated using the Margin on Services methodology. Under this methodology, planned profit margins and an estimate of future liabilities are calculated separately for each related product group, with future cash flows determined using best estimate assumptions and discounted to the reporting date. Profit margins are systematically released over the term of the policies in line with the pattern of services to be provided. The future planned profit margins are deferred and recognised over time by including the value of the future planned profit margins within the value of the policy liabilities. Further details of the actuarial assumptions used in these calculations are set out in section 5.6.

Life investment contracts

Life investment policy liabilities are valued at fair value, which is based on the valuation of the assets held within the unitised investment linked policy investment pools.

5. Life insurance and investment contracts continued

5.2 Disaggregated information by Statutory Fund

Abbreviated income statement

					ClearView Life Assurance Limited
	Shareholders Fund	Statutory Fund No.1	Statutory Fund No.2	Statutory Fund No.4	Total
					Australian Non-Participating
2022	$'000	$'000	$'000	$'000	$'000
Life insurance premium revenue	—	299,621	—	—	299,621
Outwards reinsurance expense	—	(115,423)	—	—	(115,423)
Fee revenue	—	—	10	17,648	17,658
Investment revenue	1	5,070	1	91,884	96,956
Net fair (losses) / gains on financial assets at fair value	—	(12,794)	—	(177,576)	(190,370)
Net revenue and income	**1**	**176,474**	**11**	**(68,044)**	**108,442**
Claims expense	—	(173,264)	—	—	(173,264)
Reinsurance recoveries	—	128,042	—	—	128,042
Change in life insurance policy liabilities	—	78,727	—	—	78,727
Change in life investment policy liabilities	—	—	(13,068)	83,769	70,701
Change in reinsurers' share of life insurance liabilities	—	(57,040)	—	—	(57,040)
Other expenses	—	(128,780)	(8)	(16,842)	(145,631)
Profit for the financial year before income tax	**1**	**24,159**	**(13,065)**	**(1,117)**	**9,978**
Income tax (expense) / benefit	—	(7,248)	13,136	1,759	7,647
Net profit attributable to members of ClearView Life Assurance Limited	**1**	**16,911**	**71**	**642**	**17,625**

5. Life insurance and investment contracts continued

Abbreviated statement of financial position

					ClearView Life Assurance Limited
	Shareholders Fund	Statutory Fund No.1	Statutory Fund No.2	Statutory Fund No.4	Total
					Australian Non-Participating
2022	$'000	$'000	$'000	$'000	$'000
Investments in controlled unit trusts	—	—	796	1,292,462	1,293,258
Investments in financial assets	—	385,088	—	—	385,088
Policy liabilities ceded under reinsurance	—	26,367	—	—	26,367
Other assets	935	111,850	1,746	17,637	132,168
Total assets	**935**	**523,305**	**2,542**	**1,310,099**	**1,836,881**
Gross policy liabilities - Life insurance contracts	—	(10,676)	—	—	(10,676)
Gross policy liabilities - Investment insurance contracts	—	—	647	1,294,731	1,295,378
Other liabilities	544	75,866	1,099	5,284	82,793
Total liabilities	**544**	**65,190**	**1,746**	**1,300,015**	**1,367,495**
Net assets	**391**	**458,115**	**796**	**10,084**	**469,386**
Shareholder's retained profits					
Opening retained profits	(73,092)	264,249	525	7,842	199,524
Operating profit	1	16,911	71	642	17,625
Capital transfer between funds	—	—	—	—	—
Shareholder's retained profits	**(73,091)**	**281,160**	**596**	**8,484**	**217,149**
Shareholder's capital	**73,482**	**176,955**	**200**	**1,600**	**252,237**
Total equity	**391**	**458,115**	**796**	**10,084**	**469,386**

Abbreviated income statement

					ClearView Life Assurance Limited
	Shareholders Fund	Statutory Fund No.1	Statutory Fund No.2	Statutory Fund No.4	Total
					Australian Non-Participating
2021	$'000	$'000	$'000	$'000	$'000
Life insurance premium revenue	—	278,190	—	—	278,190
Outwards reinsurance expense	—	(100,988)	—	—	(100,988)
Fee revenue	—	170	10	18,153	18,333
Investment revenue	1	911	5	52,968	53,885
Net fair gains / (losses) on financial assets at fair value	—	252	(3)	103,308	103,557
Net revenue and income	**1**	**178,535**	**12**	**174,429**	**352,977**
Claims expense	—	(153,043)	—	—	(153,043)
Reinsurance recoveries	—	108,504	—	—	108,504
Change in life insurance policy liabilities	—	1,790	—	—	1,790
Change in life investment policy liabilities	—	—	(12,372)	(147,559)	(159,931)
Change in reinsurers' share of life insurance liabilities	—	(5,104)	—	—	(5,104)
Other expenses	—	(115,824)	(21)	(19,270)	(135,115)
Profit for the financial year before income tax	**1**	**14,858**	**(12,381)**	**7,600**	**10,078**
Income tax (expense)/ benefit	—	(3,677)	12,538	(8,136)	725
Net profit attributable to members of ClearView Life Assurance Limited	**1**	**11,181**	**157**	**(536)**	**10,803**

5. Life insurance and investment contracts continued

Abbreviated statement of financial position

	ClearView Life Assurance Limited				
	Shareholders Fund	Statutory Fund No.1	Statutory Fund No.2	Statutory Fund No.4	Total
				Australian Non-Participating	
2021	$'000	$'000	$'000	$'000	$'000
Investments in controlled unit trusts	—	—	1,129	1,395,092	1,396,221
Investments in financial assets	—	304,451	—	—	304,451
Policy liabilities ceded under reinsurance	—	70,621	—	—	70,621
Other assets	569	130,691	1,657	8,667	141,584
Total assets	**569**	**505,763**	**2,786**	**1,403,759**	**1,912,877**
Gross policy liabilities - Life insurance contracts	—	(2,135)	—	—	(2,135)
Gross policy liabilities - Investment insurance contracts	—	—	991	1,391,300	1,392,291
Other liabilities	180	66,693	1,069	3,018	70,960
Total liabilities	**180**	**64,558**	**2,060**	**1,394,318**	**1,461,116**
Net assets	**389**	**441,205**	**726**	**9,441**	**451,761**
Shareholder's retained profits					
Opening retained profits	(73,093)	254,668	368	6,778	188,721
Operating profit	1	11,181	157	(536)	10,803
Capital transfer between funds	—	(1,600)	—	1,600	—
Shareholder's retained profits	**(73,092)**	**264,249**	**525**	**7,842**	**199,524**
Shareholder's capital	**73,482**	**176,956**	**200**	**1,599**	**252,237**
Total equity	**390**	**441,205**	**725**	**9,441**	**451,761**

5.3 Sources of profit

	Consolidated		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Components of profit related to movements in life insurance liabilities				
Planned profit margins released	23,032	21,179	—	—
Profit arising from difference between actual investment income and expected interest on policy liabilities	(6,982)	1,106	—	—
Profit arising from difference between actual and expected experience[1]	(669)	(4,034)	—	—
Impact of change in economic assumptions	1,531	(7,070)	—	—
Life insurance	**16,912**	**11,181**	**—**	**—**
Components of profit related to movements in life investment liabilities				
Profit arising from life investment contracts[1]	713	(379)	—	—
Life investment	**713**	**(379)**	**—**	**—**
Profit for the statutory funds	17,625	10,802	—	—
Profit for the shareholders fund	—	1	—	—
Profit for ClearView Life Assurance Limited	**17,625**	**10,803**	**—**	**—**

1 Includes costs considered unusual to the ordinary activities relevant to the segment.

5. Life insurance and investment contracts continued

5.4 Policy liabilities

Reconciliation of movements in policy liabilities

	Consolidated		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Life investment policy liabilities				
Opening gross life investment policy liabilities	1,392,291	1,185,326	–	–
Net increase in life investment policy liabilities reflected in the income statement	(70,701)	159,931	–	–
Decrease in life investment policy liabilities due to management fee reflected in the income statement	(17,836)	(18,224)	–	–
Life investment policy contributions recognised in policy liabilities	277,431	313,569	–	–
Life investment policy withdrawals recognised in policy liabilities	(285,807)	(248,311)	–	–
Closing gross life investment policy liabilities	**1,295,378**	**1,392,291**	**–**	**–**
Life insurance policy liabilities				
Opening gross life insurance policy liabilities	(2,135)	(59,341)	–	–
Movement in outstanding claims reserves	70,186	58,996	–	–
Decrease in life insurance policy liabilities reflected in the income statement	(78,727)	(1,790)	–	–
Closing gross life insurance policy liabilities	**(10,676)**	**(2,135)**	**–**	**–**
Total gross policy liabilities	**1,284,702**	**1,390,156**	**–**	**–**
Reinsurers' share of life insurance policy liabilities				
Opening balance	(70,621)	(128,543)	–	–
Movement in outstanding reinsurance	(55,047)	(43,931)	–	–
Decrease in reinsurance assets reflected in the income statement	57,040	5,104		
Movement in reinsurer's share of incurred claims liability	42,261	96,749	–	–
Closing reinsurers' share of life insurance policy liabilities	**(26,367)**	**(70,621)**	**–**	**–**
Net policy liabilities at balance date	**1,258,335**	**1,319,535**	**–**	**–**

Components of net life insurance policy liabilities

	Consolidated		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Future policy benefits	472,127	510,868	–	–
Future expenses and commissions	611,062	649,106	–	–
Less future revenues	(1,436,572)	(1,586,225)	–	–
Best estimate liability	**(353,383)**	**(426,251)**	**–**	**–**
Planned margins over future expenses	316,340	353,495	–	–
Net life insurance policy liabilities	**(37,043)**	**(72,756)**	**–**	**–**

5. Life insurance and investment contracts continued

Disclosures on asset restrictions, managed assets and trustee activities

Restrictions on assets

Investments held in the life statutory funds (Funds) can only be used within the restrictions imposed under the Life Insurance Act 1995. The main restrictions are that the assets in a Fund can only be used to meet the liabilities and expenses of that Fund, to acquire investments to further the business of the Fund or as a distribution when the capital requirements are met for that Fund. The shareholder can only receive a distribution from a Fund if the capital adequacy requirements continue to be met after the distribution.

5.5 Capital adequacy

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

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

Capital position

	Shareholder's Fund	Statutory fund No. 1 Australian non-participating	Statutory fund No. 2 Australian non-participating	Statutory fund No. 4 Australian non-participating	ClearView Life Assurance Limited
	2022	2022	2022	2022	2022
	$'000	$'000	$'000	$'000	$'000
Net Assets (Common Equity Tier 1 Capital)	389	458,116	797	10,083	469,386
Intangibles adjustments[1]	—	(14,112)	—	(2,729)	(16,841)
Net tangible assets after intangible adjustments	**389**	**444,004**	**797**	**7,354**	**452,545**
Capital base adjustments					
Deferred tax assets	—	(895)	—	(80)	(975)
Deferred acquisition costs	—	(370,886)	—	—	(370,886)
Tier 2 capital	—	30,000	—	—	30,000
Regulatory capital base	**389**	**102,223**	**797**	**7,274**	**110,684**
Prescribed Capital Amount (PCA)	(3)	(27,062)	(10)	(3,393)	(30,468)
Available Enterprise Capital (AEC)	**386**	**75,161**	**787**	**3,881**	**80,216**
Capital Adequacy Multiple	**113.8**	**3.8**	**80.1**	**2.1**	**3.6**
Prescribed capital amount comprises of:					
Insurance Risk	—	(14,358)	—	—	(14,358)
Asset Risk	(3)	(6,755)	(8)	(95)	(6,862)
Asset Concentration Risk	—	—	—	—	—
Operational Risk	—	(10,015)	(2)	(3,298)	(13,315)
Aggregation benefit	—	4,067	—	—	4,067
Prescribed Capital Amount	**(3)**	**(27,061)**	**(10)**	**(3,393)**	**(30,468)**

1 Intangible adjustments relate to capitalised software.

5. Life insurance and investment contracts continued

	Shareholder's Fund	Statutory fund No. 1 Australian non-participating	Statutory fund No. 2 Australian non-participating	Statutory fund No. 4 Australian non-participating	ClearView Life Assurance Limited
	2021	2021	2021	2021	2021
	$'000	$'000	$'000	$'000	$'000
Net Assets (Common Equity Tier 1 Capital)	389	441,204	726	9,441	451,760
Intangibles adjustments[1]	—	(6,350)	—	(897)	(7,247)
Net tangible assets after intangible adjustments	**389**	**434,854**	**726**	**8,544**	**444,513**
Capital base adjustments					
Deferred tax assets	—	(1,533)	—	(48)	(1,581)
Deferred acquisition costs	—	(352,515)	—	—	(352,515)
Tier 2 capital	—	30,000	—	—	30,000
Regulatory capital base	**389**	**110,806**	**726**	**8,496**	**120,417**
Prescribed Capital Amount (PCA)	(3)	(26,285)	(16)	(3,776)	(30,081)
Available Enterprise Capital (AEC)	**386**	**84,521**	**710**	**4,720**	**90,336**
Capital Adequacy Multiple	**114.0**	**4.2**	**44.4**	**2.2**	**4.0**
Prescribed capital amount comprises of:					
Insurance Risk	—	(15,388)	—	—	(15,388)
Asset Risk	(3)	(6,557)	(14)	(299)	(6,873)
Asset Concentration Risk	—	—	—	—	—
Operational Risk	—	(8,393)	(2)	(3,478)	(11,873)
Aggregation benefit	—	4,052	—	—	4,052
Prescribed Capital Amount	**(3)**	**(26,285)**	**(16)**	**(3,776)**	**(30,081)**

1 Intangible adjustments relate to capitalised software.

5. Life insurance and investment contracts continued

5.6 Actuarial methods and assumptions

Actuarial methods and assumptions

The effective date of the actuarial valuation report on life insurance policy liabilities and life investment policy liabilities is 30 June 2022. The actuarial valuation report was prepared by the ClearView Life Appointed Actuary, Ashutosh Bhalerao. The actuarial report indicates that the Appointed Actuary is satisfied as to the accuracy of the data upon which the policy liabilities have been determined.

The methods used for the major product groups are as follows:

Related Product Group	Method	Profit carrier
Fund 1 Non-Advice Lump Sum (including the Old Book)	Projection	Premiums
Fund 1 LifeSolutions and ClearChoice Lump Sum	Projection	Premiums
Fund 1 LifeSolutions and ClearChoice Income Protection	Projection	Premiums
Fund 2 Investments	Accumulation	n/a
Fund 4 Investments	Accumulation	n/a

The projection method uses the discounted value of future policy cash flows (premiums, expenses and claims) plus a reserve for expected future profits. The policy liabilities for life investment contracts are determined as the fair value of the policyholders' accounts under the accumulation method with no future profit reserve.

a) Actuarial assumptions used in the valuation of life insurance policy liabilities

Key assumptions used in the calculations of life insurance policy liabilities are as follows:

Discount rates: Discount rates are based on a yield curve derived from Commonwealth Government bond market yields as at the valuation date, plus an adjustment for illiquidity premium which is based on a formula driven by the difference between these yields and an A-rated non-financial corporate bond for the first ten years, and 20 basis points thereafter. This results in the average effective discount rate of 3.85% per annum (2021: 1.5% per annum).

Acquisition expenses: Per policy acquisition expense assumptions were based on the actual acquisition expenses incurred for the 12 months to 30 June 2022.

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 2023 business plan. The long-term expense inflation rate was increased to 2.3% per annum in this financial year, relative to 2.0% per annum in 2021.

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. Whilst there have been no changes to best estimate lapse assumptions at 30 June 2022, there is an expectation of higher lapses driven by affordability related concerns from ClearView's recent repricing activity and planned staggered premium rate increases. This short term elevation in lapses is allowed for in the reported best estimate liability and present value of future profit margins.

Mortality: Rates adopted vary by product, age, gender, and smoking status. The primary underlying mortality tables used are the latest FSC-KPMG ALS 2014-2018 industry standard tables, which were adjusted for industry experience subject to ClearView's own experience. The mortality claims assumptions have been updated to take into account recent observed experience.

Morbidity (TPD, Income Protection and Trauma): Rates adopted vary by age, gender, and smoking status. The primary underlying morbidity table used is the FSC-KPMG ADI 2014-2018 (IP) and FSC-KPMG ALS 2014-2018 (TPD and Trauma) tables, 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 2022 to take into account recent observed experience.

COVID-19: Whilst there is a significant level of uncertainty and limited data, there is an expectation of higher death and trauma related claims with respect to COVID-19 in the short-term. This short term elevation in claims is allowed for in the reported best estimate liability and present value of future profit margins. See section 1 (j) for further details.

5. Life insurance and investment contracts continued

b) Effects of changes in actuarial assumptions (over 12 months to 30 June 2022)

	Effect on profit margins Increase/ (decrease) $'000	Effect on policy liabilities Increase/ (decrease) $'000
Assumption category		
Discount rates and inflation	(32,264)	(2,188)
Maintenance expenses	—	—
Lapses	(1,888)	—
Mortality and morbidity	3,814	6,510
Total	**(30,338)**	**4,322**

c) Processes used to select assumptions

Discount rate

Benefits under life insurance contracts are not contractually linked to the performance of the assets held. As a result, the life insurance policy liabilities are discounted for the time value of money using discount rates that are based on current observable, objective rates that relate to the nature, structure and term of the future obligations. The discount rate is based on Commonwealth Government bond rates adjusted for the value of the illiquidity of the policy liability. The effect of this approach is unchanged from that adopted last valuation.

Maintenance expenses and inflation

Maintenance expenses are set having regard to the cost base in the three year Board adopted business plan. Per policy maintenance expenses are assumed to increase in the future with inflation, at a rate that allows for basic price increases (**CPI**).

Acquisition expenses

Per policy acquisition expenses were derived from the analysis of acquisition expenses adopted for this financial report.

Taxation

It has been assumed that current tax legislation and rates continue unaltered.

Mortality and morbidity

Appropriate base tables of mortality and morbidity are chosen for the type of products written. An investigation into the actual experience of the insurance portfolio over recent years is performed annually and ClearView Life's mortality and morbidity experience is compared against the rates.

In the base tables, where the data is sufficient to be fully statistically credible, the base table is adjusted to reflect the portfolio's experience. Where data is insufficient to be fully statistically credible, the base table is adjusted having regard to the extent of the credibility of the portfolio's experience, the overall experience of the industry and advice from ClearView's reinsurers.

Lapse

An investigation into the actual lapse experience of ClearView Life over the most recent years is performed and statistical methods are used to determine appropriate lapse rates. An allowance is then made for any trends in the data as well as industry experience to arrive at a best estimate of future lapse rates.

d) Sensitivity analysis

ClearView Life conducts sensitivity analyses to quantify the exposure to risk of changes in the key underlying variables such as discount rates, expenses, mortality, morbidity and lapses. The valuations included in the reported results and ClearView Life's best estimate of future performance are calculated using certain assumptions about these variables. The movement in any key variable may impact the reported performance and net assets of ClearView Life and the consolidated entity and as such represents a risk.

5. Life insurance and investment contracts continued

Variable	Impact of movement in underlying variable
Interest Rate Risk	The life insurance policy liabilities are calculated using a discount rate that is derived from market interest rates. Changes in market interest rates will affect the present value of cash flows and profit margins in the policy liabilities, which in turn will affect the profit and shareholder equity. The change in interest rates would also impact the emerging profit via its impact on the investment returns on the assets held to back the liabilities.
Expense Risk	An increase in the level (or inflation) of expenses over the assumed levels will decrease emerging profit. However, a change in the base expense assumptions adopted for the policy liability is unlikely to impact the current policy liability determination as such a change is absorbed into the policy liability profit margin reserve in the first instance.
Mortality Rates	For life insurance contracts providing death benefits an increased rate of mortality would lead to higher levels of claims, increasing associated claims cost and thereby reducing emerging profit. However, a change in the mortality assumptions adopted for the policy liability is unlikely to directly impact the current policy liability determination as such a change is absorbed into the policy liability profit margin reserve in the first instance.
Morbidity Rates	The cost of claims under TPD, Income Protection and trauma cover depends on the incidence of policyholders becoming disabled or suffering a 'trauma' event such as a heart attack or stroke. Higher incidence or claims duration would increase claim costs, thereby reducing profit and shareholder equity. Similar to mortality above, a change in the morbidity assumptions is absorbed in the policy liability profit margin in the first instance. For policyholders who are currently on claim there is no profit margin. Therefore, any change in claims costs due to a change in expectation around claims duration is reflected through a change in the policy liability.
Lapses	Lapse risk represents the extent to which policyholders choose not to renew their policy, and allow it to lapse. An increase in the lapse rates will have a negative effect on emerging profit owing to the loss of future revenue, including that required to recover acquisition costs. The impact on the policy liability of a change in lapse assumptions is as per mortality above.

The table below illustrates how outcomes during the financial year ended 30 June 2022 in respect of the key actuarial variables, would have impacted the reported life insurance policy liabilities, profit and equity for that financial year.

		Impact on policy liabilities		Impact on net profit and shareholder equity	
Variable	Change in variable	Gross of reinsurance $'000	Net of reinsurance $'000	Gross of reinsurance $'000	Net of reinsurance $'000
Interest rates	+ 100 bp	25,706	21,438	(17,994)	(15,007)
	- 100 bp	(24,226)	(20,204)	16,958	14,143
Mortality and morbidity	110.0%	—	—	(10,936)	(3,039)
	90.0%	—	—	10,936	3,039
Lapses	110.0%	—	—	(3,144)	(2,631)
	90.0%	—	—	3,144	2,631
Maintenance expenses	110.0%	—	—	(2,789)	(2,789)
	90.0%	—	—	2,789	2,789

* Note: The interest rate sensitivities show the change to policy liabilities and profit from a change in the discount rate by adding or subtracting 1% from the yield curve adopted. The other sensitivities show how different the policy liabilities and reported profit would have been if ClearView Life's experience in the current year in relation to those variables had been higher or lower by 10% of that experienced.

5. Life insurance and investment contracts continued

5.7 Critical accounting judgements and key sources of estimation uncertainty

Life insurance policy liabilities

Life insurance policy liabilities are, in the majority of cases, determined using an individual policy-by-policy calculation. Where material liabilities are not determined by individual policy valuation, they are computed using statistical or mathematical methods, which are expected to give approximately the same results as if an individual liability were calculated for each contract. The calculations are made by suitably qualified personnel on the basis of recognised actuarial methods, with due regard to relevant actuarial principles. The methodology takes into account the risks and uncertainties of the particular classes of life insurance business written.

The key factors that affect the estimation of these liabilities and related assets are:

- The cost of providing benefits and administering these insurance contracts;
- The costs incurred in acquiring the policies, including commissions, underwriting and policy issue costs;
- Mortality and morbidity experience on life insurance products;
- Board approved premium rate changes; and
- Discontinuance experience, which affects ClearView Life's ability to recover the cost of acquiring new business over the term of the contracts.

In addition, factors such as regulation, competition, interest rates, taxes, securities market conditions and general economic conditions affect the level of these liabilities.

Assets arising from reinsurance contracts

Assets arising from reinsurance contracts are computed using the same methods as used for insurance policy liabilities. In addition, the recoverability of these assets is assessed on a periodic basis to ensure that the balance is reflective of the amounts that will ultimately be received, taking into consideration factors such as reinsurer counterparty and credit risk.

Impairment is recognised where there is objective evidence that the Group may not receive amounts due to it and these amounts can be reliably measured.

COVID-19

In response to COVID-19 the Group undertook a review of best estimate assumptions, with a particular focus on claims and lapses to determine impacts and implications from COVID-19. ClearView has made an estimation on the likely implications of COVID-19 at 30 June 2022. Refer to section 1 (j) for further details.

6. Capital structure and capital risk management

This section provides information in relation to the Group's capital structure and financing facilities.

6. Capital structure and capital risk management

6.1 Issued capital

	No. of ordinary shares	Issued capital	Treasury shares	Total share capital
2022		$'000	$'000	$'000
Balance at the beginning of the financial year	631,202,448	449,855	(2,407)	447,448
Shares issued during the year (ESP exercised)	11,702,768	9,648	—	9,648
Transfer from share based payment reserve and cancellation of forfeited ESP shares[1]	—	5,580	—	5,580
Transfer from General Reserve[2]	—	3,979	(2,407)	3,979
Balance at the end of the financial year	**642,905,216**	**469,062**	**(2,407)**	**466,655**
2021				
Balance at the beginning of the financial year	631,202,448	449,855	(2,407)	447,448
Share issued during the year	—	—	—	—
Balance at the end of the financial year	**631,202,448**	**449,855**	**(2,407)**	**447,448**

	Company	
	2022 No. of Shares	2021 No. of Shares
Executive share plan		
Balance at the beginning of the financial year	38,154,662	43,590,602
Shares forfeited during the year	(8,318,462)	(5,435,940)
Shares exercised during the year	(11,702,768)	—
Balance at the end of the financial year	**18,133,432**	**38,154,662**

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

2 The general reserve comprises the profit on sale of forfeited ESP shares ($4 million) where the shares were sold via an off market transfer with the proceeds being received by the Company. The general reserve is not an item of other comprehensive income and the items in the general reserve will not be reclassified subsequently to profit or loss. The general reserve was transferred to share capital in FY22.

In accordance with AASB 2, Share-Based Payments the shares issued under the Executive Share Plan are treated as options and are accounted for as set out in section 7.2.

The Company does not have a limited amount of authorised capital and issued shares do not have a par value. Fully paid ordinary shares carry one vote per share and carry the rights to dividends.

Treasury shares held in trust

To satisfy obligations under the Group's share-based remuneration plans, shares have been bought on market and are held in a Trust controlled by ClearView. The shares are measured at cost and are presented as a deduction from Group equity. No gain or loss is recognised in profit or loss on the sale, cancellation or reissue of the shares. The shares are derecognised as treasury shares held in trust when the shares vest or are released to the participant. The total number of treasury shares held is 2,783,324 with a value of $2,406,598 at an average price per share of $0.86 (2021: $0.86).

Share issue due to ESP exercise and ESP forfeiture

Following the sale of the financial advice business to Centrepoint Alliance, 800,000 ESP shares that have vesting conditions related to change of control constraints vested on completion of the transaction on 1 November 2021. During the extension period to 31 March 2022 (where the ESP loans extension was granted), 11.7 million ESP shares were exercised and the limited recourse loans of $6.3 million were fully repaid. Upon repayment of the loans, the holding lock is removed from the ordinary shares issued. 8.2 million shares that were not exercised have been forfeited. These forfeited shares were subsequently bought back and cancelled in April 2022.

6. Capital structure and capital risk management continued

6.2 Movements in reserves

	Consolidated		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Retained earnings/(losses)				
Balance at the beginning of the financial year	(6,611)	(13,290)	(111,647)	(105,479)
Net profit/(loss) attributable to members of the parent entity	21,175	6,679	—	(6,168)
Dividend paid during the year	(6,683)	—	—	—
Balance at the end of the financial year	**7,881**	**(6,611)**	**(111,647)**	**(111,647)**
Executive share plan reserve[1]				
Balance at the beginning of the financial year	14,617	14,584	12,210	12,177
Recognition of share based payments	434	232	434	232
Transfer from accrued employee entitlements[2]	351	—	351	—
ESP loans settled through dividend	208	—	208	—
ESP shares vested and exercised	(3,112)	(199)	(3,112)	(199)
ESP shares forfeited (vested/unvested)	(5,936)	—	(5,936)	—
Balance at the end of the financial year	**6,562**	**14,617**	**4,155**	**12,210**

	Consolidated		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Profit reserve				
Balance at the beginning of the financial year	—	—	19,274	19,274
Net profit attributable to the parent entity	—	—	8,424	—
Dividend paid during the year	—	—	(6,683)	—
Balance at the end of the financial year	**—**	**—**	**21,015**	**19,274**
General reserve[3]				
Balance at the beginning of the financial year	3,979	3,979	3,979	3,979
Transfer to issued capital	(3,979)	—	(3,979)	—
Balance at the end of the financial year	**—**	**3,979**	**—**	**3,979**

1 The above executive share plan reserve relates to share options granted by the Company to employee and contractor participants under the ClearView Executive Share Plan (Plan). Further information about the Plan is set out in section 7.2.

2 Restricted rights issued relating to FY21 Deferred Short Term Variable Remuneration (STVR).

3 The general reserve comprises the profit on sale of forfeited ESP shares ($4 million) where the shares were sold via an off market transfer with the proceeds being received by the Company. The general reserve is not an item of other comprehensive income and the items in the general reserve will not be reclassified subsequently to profit or loss. The general reserve was transferred to share capital in FY22.

6.3 Shares granted under the executive share plan

In accordance with the provisions of the ESP, as at 30 June 2022, key management (including the the managing director) have acquired 18,133,432 (30 June 2021: 38,154,662) ordinary shares. Shares granted under the ESP carry rights to dividends and voting rights.

Financial assistance amounting to $12,872,422 (30 June 2021: $24,729,856) was made available to executives, senior employees and contractor participants to fund the acquisition of shares under the ESP. In line with the sale of the financial advice businesses, all contractor participant loans have been settled during the year under review.

During the year, no performance rights issued to executives were vested (2021: nil).

6. Capital structure and capital risk management continued

6.4 Subordinated debt

On 5 November 2020, the Company issued $75 million subordinated, unsecured notes ('the Notes') to wholesale investors. The Notes are unsecured, subordinated debt obligations of the Company. Interest on the Notes accrues at a variable rate equal to the three-month Bank Bill Swap Rate ('**BBSW**') plus a margin of 6% per annum, until maturity, payable quarterly in arrears. Interest expense recognised for the year ended was $4.7 million. The maturity date of the subordinated debt is 5 November 2030.

Subject to APRA's prior written approval and certain other conditions, the Notes are callable from November 2025 or if certain tax or regulatory events occur.

The Company capitalised directly attributable costs associated with the issuance of the subordinated debt, which totalled $1.7 million and was incurred in FY21. These costs are amortised on a straight line basis of 5 years, being the lesser of the maturity date and the call date. Amoritsation of these costs recognised for the year ended was $0.3 million

For the year ended 30 June 2022, total subordinated debt is as follows:

	Consolidated		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Balance at the beginning of the financial year	73,514	—	73,514	—
Issuance of subordinated debt	—	75,000	—	75,000
Additions of capitalised costs	—	(1,709)	—	(1,709)
Amortisation of capitalised costs	343	223	343	223
Balance at the end of the financial year	**73,857**	**73,514**	**73,857**	**73,514**

The Company has used $30 million of the proceeds of the Notes for regulatory capital purposes for ClearView Life Assurance Limited. The remainder of the proceeds was used by ClearView to repay existing debt and to cover associated costs.

The Subordinated Notes may convert into Ordinary Shares of ClearView on the occurrence of a Non-Viability Trigger Event. The number of Ordinary Shares issued on Conversion is variable but is limited to the Maximum Conversion Number. The Maximum Conversion Number is 147,058 Ordinary Shares per Subordinated Note, based on the Issue Date VWAP of $0.34.

6. Capital structure and capital risk management continued

6.5 Borrowings

Financing Facilities

	Consolidated		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
The Group has access to the following facilities:				
Bank Guarantees				
– amount used	4,028	4,028	—	—
Overdraft and credit				
– amount used	—	—	—	—
– amount unused	2,000	2,000	—	—
Bank Facility				
– amount used	16,000	16,000	16,000	16,000
– amount unused	44,000	44,000	44,000	44,000

As at the reporting date, the Company had a $60 million facility agreement with the National Australia Bank. $16 million has been drawn down with the balance available for immediate use (2021: $16 million). The facility is repayable on 1 August 2024. Interest on the loan accrues at BBSY plus a margin of 0.80% per annum (FY21 and until 20 December 2021: 0.95%), and is payable quarterly. Furthermore, a line fee of 0.80% per annum (FY21: 0.80%) is payable on the facility on a quarterly basis.

The covenants of the facility agreement state that the Group's debt must not exceed 35% of the Group's total debt and equity, the Group's interest cover ratio (EBITDA (excluding policyholder net profit and removing any effects from the adoption of AASB 16) to interest expense) for the preceding 12 months period must be at least 3 times.

Furthermore, under the facility agreement, a review event occurs where the capital base of the life company, ClearView Life, falls below the minimum PCA ratio of 1.5 times (excluding any supervisory adjustments and reinsurance concentration risk charges). The facility has been secured by a number of cross guarantees, refer to section 9.5 for details.

ClearView Life Assurance Limited has a $2 million (30 June 2021: $2 million) overdraft facility with National Australia Bank at a benchmark interest rate of 7.72% p.a (30 June 2021: 6.47% p.a) calculated daily. Any overdrawn balance in excess of the overdraft will incur an additional margin of 1.5% p.a above the benchmark interest rate. The bank overdraft is short-term in nature and was unutilised at 30 June 2022. There is an additional $0.25 million credit card facility with National Australia Bank in the name of ClearView Administration Services Pty Limited.

6.6 Capital risk management

The Group maintains capital to protect customers, creditors and shareholders against unexpected losses to a level that is consistent with the Group's risk appetite. The Group's capital structure consists of ordinary equity comprising issued capital, retained earnings and reserves (as detailed in section 6.2).

ClearView generates positive cash flows from in-force portfolios which is subsequently reinvested into new business generation.

ClearView holds risk capital that also includes an amount held as a working capital reserve ($0.5 million as at 30 June 2022) to support the future capital needs of the business beyond the risk reserving basis. This working capital reserve is then released as the negative cash flows arise, after which time the underlying business becomes self funding. The working capital reserve has been updated post the approval of the FY23 Business Plan by the

6. Capital structure and capital risk management continued

Board in August 2022 (the FY23 Business Plan is prepared for a three year period).

The forecast capital generation (and related net capital position) in the FY23 Business Plan allows for increased new business generation and market share over the forecast period, the interest costs associated with the Tier 2 capital raising and the material investment in the new PAS over the multi year transformation period.

The net surplus capital position of the Group above internal benchmarks of $25.8 million at 30 June 2022 is stated prior to the declaration of the FY22 final dividend and includes the FY22 capital benefit from the sale of the financial advice businesses.

The surplus capital position and future business capital generation is anticipated to fund the net capital expenditure impacts of the investment in the new PAS (relative to the quantum that could be permissible to be counted for capital purposes). ClearView also has access to the Debt Funding Facility, to the extent further funding is required.

ClearView has implemented an incurred claims treaty with Swiss Re for lump sum and income protection business, where claims (including reserve components) are paid when a claim is incurred which reduces the concentration risk exposure. There is no Asset Concentration Risk charge under LPS 117 relating to the Swiss Re exposure as at 30 June 2022.

As a result of limits under the incurred claims treaty, as previously reported, ClearView has the ability to re-implement the irrevocable letter of credit issued by a major Australian bank on behalf of Swiss Re. ClearView is in the process of increasing the dollar limit on the letter of credit back to $70 million, to further reduce any likelihood of concentration risk exposure.

Fitch assigned ClearView a Long-term Issuer Default Rating (**IDR**) of 'BBB'. At the same time, Fitch assigned ClearView's operating subsidiary, ClearView Life, an Insurer Financial Strength Rating (**IFS)** of BBB+. The outlooks for both ratings are stable and were reaffirmed as 'stable'.

Dividends and On-market 10/12 limit share buyback

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

Operating Earnings represents the Underlying NPAT[2] of the business before underlying investment income and interest costs associated with corporate debt and Tier 2 Capital and takes into account the impact on earnings of the interest rate environment and change in capital structure of the business (through the successful issuance of $75 million subordinated notes in FY21).

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

The Board continues to seek to:

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

A FY22 fully franked final cash dividend of 2 cents per share has been declared (FY21: 1 cent) and represents an increase of 100% on the prior year.

Consideration of the overall capital position of the Group, the economic uncertainty, the further potential impacts from COVID-19 and the growth and investment phase of the business (including the material investment in the new PAS) was taken into account in setting the dividend payment, with the FY22 final dividend representing 47% of Operating Earnings After Tax[1] (FY21: 30%). This reflects an element of conservatism and is around the mid point of the range of the target payout ratio.

10/12 limit on market buy back

ClearView has in place a Board approved 10/12 limit on market buy-back program which has been extended for a further 12-month period until December 2022. Existing buy- back arrangements continue to apply and Blue Ocean Equities Pty Limited is the appointed broker for the program. Since January 2014, the total number of shares bought back and cancelled under the scheme is 1,208,824 and there were no shares bought back and cancelled in the year ended 30 June 2022.

6. Capital structure and capital risk management continued

Selective buy-back of Executive Share Plan shares

At the ClearView 2021 Annual General Meeting in November 2021, Shareholders approved a selective buy-back of Executive Share Plan (**ESP**) Shares from Contractor Participants. 6,671,737 ESP shares were selectively bought back and cancelled on the terms outlined in the ClearView AGM Notice of Meeting,

In addition, 1,646,725 ESP shares from Employee Participants were also bought back and cancelled in the year ended 30 June 2022.

1 Operating Earnings (after tax) represents the Underlying NPAT[2] of the business segments before underlying investment income and interest costs associated with corporate debt and Tier 2 Capital. Costs associated with the incurred claims treaty are reflected as part of reinsurance costs.

2 Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases.

7. Employee disclosures

This section provides information on the remuneration of key management personnel and the Group's employee share plan.

7. Employee disclosures

7.1 Key management personnel compensation

Transactions with KMP

Key management personnel compensation

Details of Key Management Personnel compensation are disclosed in the Directors' Report on pages 10 to 76 of the Annual Report. The aggregate compensation made to Key Management Personnel (**KMP**) of the Company and the Group is set out below:

	Consolidated	
	2022 $	2021 $
Short-term employee benefits[1]	5,875,993	5,526,506
Post-employment benefits	388,078	318,767
Share based payments	796,509	618,105
Termination benefits	395,300	502,709
Total	**7,455,880**	**6,966,087**

1 The FY21 short-term employee benefits have been amended to include fringe benefits tax of $29,507.

Limited recourse loans

Limited recourse loans were granted to KMP ESP participants in May 2017. This limited recourse loan facility is secured by the ESP shares held and became interest bearing from 30 November 2017 at 3 month BBSY rate plus a margin of 1%. This limited recourse facility is reflected as loans on balance sheet of the listed entity.

In accordance with AASB 9, an expected credit loss (**ECL**) of $1.0 million (2021: $1.3 million) was recognised against the limited recourse loans given the decrease in ClearView's share price subsequent to the issue of the loans. The loans were granted up to a maximum of $1 per vested ESP share held.

7.2 Share based payments

Share based payment arrangements

Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The Company issues shares from time to time under the ClearView Rights Plan (the Plan) and previously under the ClearView Long Term Incentive Plan (**LTIP**) and the Executive Shares Plan (**ESP**).

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

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

7. Employee disclosures continued

Share schemes

A summary of deferred equity award plans for employees is set out below:

Plan	Available to	Nature of the award	Vesting conditions
Short Term Variable Remuneration Plan (STVR) (From 1 July 2020)	Managing Director and executives	60% delivered by cash. 40% deferred as restricted rights to fully paid ordinary shares.	The restricted rights are deferred to vest on the fourth anniversary of the award. STVR outcomes are subject to the achievement of ClearView goals and financial performance as well as risk management targets.
Long Term Variable Remuneration Plan (LTVR) (From 1 July 2020)	Managing Director and executives	Performance rights to fully paid ordinary shares	On achievement of the performance measures at the end of a four-year performance period, 100% of the performance rights vest. Vesting is subject to the achievement of ClearView Group's total shareholder return and compliance targets.
Long Term Incentive Plan (LTIP) (2017 - 2020)	Managing Director and senior management team	Performance rights to fully paid ordinary shares	The performance rights are subject to a deferral period of 3 years. LTIP outcomes are subject to the achievement of ClearView Group performance targets.
Executive Share Plan (ESP) (Prior to 30 June 2017)	Managing Director, senior management team and key senior employees	Fully paid ordinary shares subject to holding lock with limited recourse loans provided as financial assistance	No ESP shares have been granted since 14 June 2017. The plan includes a clause governing the consequences of a change of control event and the shares under the ESP share plan will vest. The ESP awards are not conditional on meeting performance targets.

1 The Plan rules provide suitable discretion for the Remuneration Committee to adjust any formulaic outcome to ensure that awards under the STVR and LTVR appropriately reflect performance.

2 Recipients must remain in the Group's service throughout the service period (or the specified service period under the ESP) in order for the award to vest, except in cases approved by the Remuneration Committee. Vesting is also subject to malus provisions.

3 Once vested, performance rights can be exercised for no consideration.

A summary of deferred equity award plan for non-employees is set out below:

Plan	Available to	Nature of the award	Vesting conditions
Executive Share Plan (ESP) (prior to 30 June 2017)	Financial advisers (Contractor Participants)	Fully paid ordinary shares subject to holding lock with limited recourse loans provided as financial assistance	No ESP shares are granted from 14 June 2017. Vesting is subject to performance conditions over a performance period.

Following the sale of the financial advice business to Centrepoint Alliance, 800,000 ESP shares that have vesting conditions related to change of control constraints vested on completion of the transaction on 1 November 2021. Furthermore, in relation to Employee Participants and Contractor Participants related to the financial advice businesses sold, the ESP loans to fund their participation in the ESP were extended until 31 March 2022. During the extension period, 11.7 million ESP shares were exercised and the limited recourse loans of $6.3 million were fully repaid. Upon repayment of the loans, the holding lock is removed from the ordinary shares issued. 8.2 million shares that were not exercised have been forfeited. These forfeited shares were subsequently bought back and cancelled in April 2022. As at 30 June 2022, there were no outstanding ESP shares under the deferred equity award plan for non-employees.

7. Employee disclosures continued

Performance and restricted rights

Details of the number of employee entitlements to performance rights under the Plan (LTVR and LTIP) and restricted rights (deferred component of the STVR) to ordinary shares granted, vested and transferred to employees and forfeited during the year are as follows:

	No. of rights	
	2022	2021
Balance at the beginning of the financial year	**5,449,207**	**2,356,902**
Granted	4,628,267	4,028,821
Vested and transferred to employees	—	—
Forfeited	(162,027)	(936,516)
Balance at the end of the financial year[1]	**9,915,447**	**5,449,207**
Weighted average share price at date of vesting of performance rights during the year	n/a	—
Weighted average fair value of performance rights granted during the year	$0.20	$0.07
Weighted average fair value of restricted rights granted during the year	$0.50	$0.50

1 Balance at end of the financial year does not include the financial year's deferred STVR component. FY22 restricted rights structure and implementation is subject to the successful completion of the strategic review. The Board may elect to exercise its discretion to pay out the FY22 deferred STVR component in cash. The same approach will be considered for the FY21 restricted rights granted during the financial year. The outcome will be included in the Annual Report for the year ending 30 June 2023.

Fair value of performance and restricted rights

The fair value of performance rights granted during the year was determined using the following key inputs and assumptions:

Performance rights	2022 [2]	2021 [1]
Share price at grant date	$0.50	$0.34
Exercise price	Nil	Nil
Volatility	50.0%	35.0%
Dividend yield	5.48%	6.13%
Anticipated performance right life (years)	4	4
Present value of future expected dividends	n/a	n/a
Fair value at grant date	$0.20	$0.07
Restricted rights	**2022**	**2021**
Fair value at grant date	$0.50	$0.50

1 The 2021 target is based on an Absolute Total Shareholder Return (TSR) from 1 July 2020 to 30 June 2024. The vesting conditions of the rights are subject to the Service Condition and a TSR performance condition. A Monte Carlo simulation taking into account the grant date share price, a volatility factor and present value of expected future dividends is used to determine the fair value of a TSR-hurdle right (excluding the effect of the Service Condition).

2 The 2022 target is based on an Absolute Total Shareholder Return from 1 July 2021 to 30 June 2025. A Monte Carlo simulation methodology has been selected.

The fair value is determined using appropriate methods including Monte Carlo simulations, share price less present value of dividend, depending on the vesting conditions. Some of the input or assumptions used may be based on historical data which is not necessarily indicative of future trends.

7. Employee disclosures continued

The fair value of restricted rights granted during the year was determined based on the fair value of the Company's shares at the grant date or for the deferred component of the STVR, at the end of the previous financial year.

Executive Share Plan

Details of the number of ESP shares granted, vested and transferred, and forfeited during the year are as follows:

	2022		2021	
	Number of shares	Weighted average exercise price $	Number of shares	Weighted average exercise price $
Balance at the beginning of the financial year	38,154,662	0.65	43,590,602	0.55
Issued during the financial year	—	—	—	—
Forfeited during the year[1]	(8,318,462)	0.96	(5,435,940)	0.80
Exercised during the year[1]	(11,702,768)	0.54	—	—
Balance at the end of the financial year	**18,133,432**	**0.71**	**38,154,662**	**0.65**

1 Following the sale of the financial advice business to Centrepoint Alliance, ESP shares held by employees and contractor participants related to the financial advice businesses sold were either exercised or forfeited. As at 30 June 2022, there were no outstanding ESP shares held by financial advice business ex-employees and contractor participants.

The shares were priced using a binomial option pricing model with volatility based on the historical volatility of the share price.

Share based payment expense

Total expenses arising from share based payment awards under the various share schemes including LTVR, LTIP, and ESP amounted to $0.4 million (2021: $0.03 million), of which $0.06 million is included in the results of discontinued operations. STVR deferred component (restricted rights) expense is included in employee expenses.

8. Related parties and other Group entities

This section provides information on the Group's structure and performance of the Groups as a whole. In particular, there is information about:

8. Related parties and other Group entities

8.1 Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries.

Name of Entity	Principal Activity	Parent Entity	Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
Parent entity					
ClearView Wealth Limited (CWL)	Holding Company	—	Australia		
Subsidiaries					
ClearView Group Holdings Pty Limited (CGHPL)	Holding Company	CWL	Australia	100	100
ClearView Life Assurance Limited (CLAL)	Life Company	CGHPL	Australia	100	100
ClearView Financial Management Limited (CFML)	Responsible Entity	CWL	Australia	100	100
ClearView Life Nominees Pty Limited (CLNPL)	Trustee	CWL	Australia	100	100
ClearView Administration Services Pty Limited (CASPL)	Administration Service Entity	CWL	Australia	100	100
ClearView Employee Share Trust (CVEST)	Trustee	CWL	Australia	100	100
ClearView Financial Advice Pty Limited (CFAPL)[1]	Advice Company	CWL	Australia	—	100
Matrix Planning Solutions Limited (MPS)[1]	Advice Company	CWL	Australia	—	100
Matrix Planning Investments Pty Limited (MPIPL)[2]	Non operating	CASPL	Australia	100	100
Affiliate Financial Planning Pty Limited (AFPPL)[2]	Non operating	CASPL	Australia	100	100
LaVista Licensee Solutions Pty Limited (LVSTA)[1]	Advice Company	CWL	Australia	—	100
Interest in associates[3]					
Centrepoint Alliance Limited	Advice Company	CWL	Australia	24.50	—

1 CFAPL, MPS and LVSTA were sold to Centrepoint Alliance on 1 November 2021.

2 As at 30 June 2022, MPIPL and AFPPL were being deregistered with ASIC. Subsequent to 30 June 2022, ASIC confirmed that both entities have been deregistered.

3 Refer to Section 8.2 Investment in associate for further details.

8. Related parties and other Group entities continued

Name of Entity	Principal Activity	Parent Entity	Country of incorporation	Ownership interest 2022 %	2021 %
Controlled unit trusts					
CVW Index Fixed Interest Fund	Wholesale Fund	CLAL	Australia	96	100
CVW Schroder Equity Opportunities Fund	Wholesale Fund	CLAL	Australia	38	47
CVW Fixed Interest Fund	Wholesale Fund	CLAL	Australia	52	58
CVW Index International Shares Fund	Wholesale Fund	CLAL	Australia	92	98
CVW Listed Property Fund	Wholesale Fund	CLAL	Australia	—	66
CVW Money Market Fund	Wholesale Fund	CLAL	Australia	90	87
CVW First Sentier Investors Infrastructure Fund	Wholesale Fund	CLAL	Australia	26	56
CVW ClearBridge RARE Emerging Markets Fund	Wholesale Fund	CLAL	Australia	31	48
CVW Antipodes Global Fund	Wholesale Fund	CLAL	Australia	30	32
CVW Hyperion Australian Shares Fund	Wholesale Fund	CLAL	Australia	100	100
CVW Index Infrastructure and Property Fund	Wholesale Fund	CLAL	Australia	90	100
CVW Index Emerging Markets Fund	Wholesale Fund	CLAL	Australia	94	100
CVW Index Australian Shares Fund	Wholesale Fund	CLAL	Australia	92	92
CVW Stewart Investors Worldwide Sustainability Fund	Wholesale Fund	CLAL	Australia	38	46
CVW Fairlight Global Fund[1]	Wholesale Fund	CLAL	Australia	50	—

1 CVW Fairlight Global Fund was registered on 8 September 2021.

CASPL was incorporated to centralise the administrative responsibilities of the group which includes being the employer of all staff within the Group. CASPL recoups all expenditure by virtue of a management fee from the various group companies and operates on a cost recovery basis (in accordance with an inter group agreement). CWL is regulated as a Non-Operating and Holding Company by the Australian Prudential Regulation Authority (**APRA**) under the Life Insurance Act 1995, and via its subsidiaries, holds an APRA life insurance licence (**CLAL**), and APRA registrable superannuation entity (**RSE**) licence (**CLN**) and an ASIC funds manager responsible entity (**RE**) licence (**CFML**).

8. Related parties and other Group entities continued

8.2 Investment in associate

On 1 November 2021 the Company acquired a strategic 24.5% stake (48 million shares) in Centrepoint Alliance as part of the sale of its financial advice businesses to Centrepoint Alliance (refer to section 8.5 for detail). The 48 million shares are restricted for dealing for 12 months since the date of issuance of the shares. Simon Swanson, Managing Director of ClearView, has also been appointed as a Director on the Centrepoint Alliance Board. As a consequence, the Company gained significant influence over the investee and this investment is accounted for using the equity method.

As at the acquisition date, the investment in associate is recognised at cost being the fair value of 48 million shares of Centrepoint Alliance. After the acquisition date, the carrying value was increased by $0.3 million to recognise the Company's share of the profit of the investee, offset by the dividend received for the eight months ended 30 June 2022.

ClearView assesses, at each reporting date, whether there is any objective evidence of impairment. If there is an indication that an investment may be impaired, then the entire carrying amount of the investment in associate is tested for impairment by comparing the recoverable amount (higher of value in use and fair value less disposal costs) with the carrying amount. Impairment losses recognised in the income statement are subsequently reversed through the income statement if there has been a change in the estimates used to determine recoverable amount since the impairment loss was recognised. As at 30 June 2022, no impairment was required to the carrying value of the investment in associate.

During the year the carrying amount of the investment in associate has changed as follows:

	Consolidated		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Balance at the beginning of the year	–	–	–	–
Additions	13,440	–	13,440	–
Profit/(loss) for the period	534	–	534	–
Dividend received	(240)	–	(240)	–
Balance at the end of the year	**13,734**	**–**	**13,734**	**–**

8.3 Transactions between the Group and its related parties

Other related parties include:

- Entities with significant influence over the Group;
- Associates; and
- Subsidiaries.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

Details of balances between the Group and other related parties during the financial year ended 30 June 2022 are outlined below.

The ultimate parent entity in the Group is ClearView Wealth Limited which is incorporated in Australia.

8. Related parties and other Group entities continued

Outstanding balances between the Group and its related parties

2022	ClearView Wealth Limited $	ClearView Life Assurance Limited $	ClearView Financial Management Limited $	ClearView Admin Services Pty Limited $	ClearView Life Nominees Pty Limited $	ClearView Retirement Plan $	CFML Managed Investment Schemes $	Centrepoint Alliance Limited $	Total $
ClearView Wealth Limited	—	7,119,620	(192,479)	2,367,403	427,103	2,912,716	—	151,701	12,786,064
ClearView Life Assurance Limited	(7,119,620)	—	96,294	(8,330,489)	—	1,048,988	—	—	(14,304,827)
ClearView Financial Management Limited	192,479	(96,294)	—	(881,317)	(395,284)	—	601,250	—	(579,166)
ClearView Admin Services Pty Limited	(2,367,403)	8,330,489	881,317	—	—	—	—	—	6,844,403
ClearView Life Nominees Pty Limited	(427,103)	—	395,284	—	—	—	—	—	(31,819)
ClearView Retirement Plan	(2,912,716)	(1,048,988)	—	—	—	—	—	—	(3,961,704)
CFML Managed Investment Schemes	—	—	(601,250)	—	—	—	—	—	(601,250)
Centrepoint Alliance Limited	(151,701)	—	—	—	—	—	—	—	(151,701)
	(12,786,064)	14,304,827	579,166	(6,844,403)	31,819	3,961,704	601,250	151,701	—

2021	ClearView Wealth Limited $	ClearView Life Assurance Limited $	ClearView Financial Management Limited $	ClearView Financial Advice Pty Limited $	Matrix Planning Solutions Limited $	ClearView Admin Services Pty Limited $	ClearView Life Nominees Pty Limited $	LaVista Licensee Solutions Pty Limited $	ClearView Retirement Plan $	CFML Managed Investment Schemes $	Total $
ClearView Wealth Limited	—	843,151	370,787	76,353	118,762	2,646,399	29,873	83,012	8,547,781	—	12,716,118
ClearView Life Assurance Limited	(843,151)	—	(305,320)	(280,716)	—	(5,623,889)	—	—	1,911,063	—	(5,142,013)
ClearView Financial Management Limited	(370,787)	305,320	—	(38,529)	—	(565,273)	—	—	—	792,427	123,158
ClearView Financial Advice Pty Limited	(76,353)	280,716	38,529	—	—	(822,188)	—	—	—	—	(579,296)
Matrix Planning Solutions Limited	(118,762)	—	—	—	—	(514,601)	—	—	—	—	(633,363)
ClearView Admin Services Pty Limited	(2,646,399)	5,623,889	565,273	822,188	514,601	—	—	144,609	—	—	5,024,161
ClearView Life Nominees Pty Limited	(29,873)	—	—	—	—	—	—	—	—	—	(29,873)
LaVista Licensee Solutions Pty Limited	(83,012)	—	—	—	—	(144,609)	—	—	—	—	(227,621)
ClearView Retirement Plan	(8,547,781)	(1,911,063)	—	—	—	—	—	—	—	—	(10,458,844)
CFML Managed Investment Schemes	—	—	(792,427)	—	—	—	—	—	—	—	(792,427)
	(12,716,118)	5,142,013	(123,158)	579,296	633,363	(5,024,161)	29,873	227,621	10,458,844	792,427	—

8. Related parties and other Group entities continued

Related party tax assets

As at 30 June 2022 the ClearView Group carried a non-current receivable of $3.9 million (30 June 2021: $10.5 million) from its related superfund ClearView Retirement Plan (**CRP**). This is after a write down of $0.9 million in the current year in respect of the FY21 income tax year (2021: $1.7 million for the FY20 income tax year) driven by the reduction of the carried forward losses in CRP against its net current pension exempt income in the respective year. A provision of $0.6 million (30 June 2021: 1.5 million) for the receivable continues to be held for future expected loss. Due to the tax loss position in CRP, settlement of this amount is subject to the utilisation of tax losses. Based on the current year's utilisation of the carried forward tax losses and the taxable income from CRP, apart from the amount provided for, it is expected that the remaining receivable amounts will be recoverable.

Arrangements with Centrepoint Alliance

Post the acquisition of a 24.5% stake in Centrepoint Alliance as part of the sale of the financial advice businesses, ClearView has continued to transact with the financial advice businesses (ClearView Financial Advice Pty Limited (**CFA**), Matrix Planning Solutions Limited (**MPS**), and LaVista Licensee Solutions Pty Limited (**LVSTA**)) under pre-existing arrangements as well as a number of agreements entered into with the associate on arm's length terms and conditions, including:

- Risk commission paid to CFA ($1.8 million) and MPS ($2.5 million) respectively in FY22;
- Adviser service fees for WealthSolutions investments products paid to CFA ($2.1 million) and MPS ($2.4 million) respectively in FY22;
- Traditional products services agreement in which CFA and MPS under Centrepoint Alliance continued to provide services for ClearView's traditional products until 13 May 2022 ($0.5 million);
- Partnership services fee of $0.1 million for the provision of partnership services to ClearView Life Assurance Limited in FY22;
- Transition services agreement in which ClearView provided transition services to the financial advice businesses for up to four months after the sale unless otherwise agreed ($0.1 million);
- Employee transfer agreement which covers the payment by ClearView Administration Services Pty Limited ($1.0 million) to Centrepoint Services Pty Ltd in respect of the employees' accrued leave liabilities transferred and shared employees costs as agreed; and
- Various commercial arrangements such as Deed of Agreement in respect of the CFA business model costs, Trademark license agreement in which ClearView grants to Centrepoint Alliance a non-exclusive, royalty-free, transferrable and sublicensable license to use the 'ClearView Financial Advice' trademark until this agreement is terminated, and standard warranties and indemnities arrangements (to a transaction of this nature) were also provided under the Share Sale and Purchase Agreement.

Furthermore, upon exit from the tax consolidated group on 1 November 2021, ClearView Wealth Limited agreed to release each entity of the financial advice business from its obligation under the tax sharing and funding agreement.

During the year, directors fees were paid to ClearView Administration Services Pty Limited for Simon Swanson's directorship held in Centrepoint Alliance.

Subordinated debt

On 5 November 2020, the Company issued $75 million subordinated, unsecured notes to wholesale investors (external notes). These are unsecured, subordinated debt obligations of the Company. Interest accrues at a variable rate equal to the three-month Bank Bill Swap Rate ('**BBSW**') plus a margin of 6% per annum, until maturity, payable quarterly in arrears. Interest expense recognised for the year was $4.7 million (2021: $2.9

8. Related parties and other Group entities continued

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 year was $1.9 million (2021: $1.1 million). The internal notes and associated interest is eliminated in the Group's consolidated financial statements.

Other related party transactions

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

A director held 100 subordinated notes during the year and the notes are issued on the same terms and conditions available to other note holders.

Transactions other than financial instrument transactions

No Director has entered into a material contract with the Company or the ClearView Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year end. Other transactions with directors, executives and their related parties are conducted on arm's length terms and conditions, and are deemed trivial or domestic in nature. These transactions are in the nature of personal investment, life insurance policies and superannuation.

8.4 Investment in controlled unit trusts

		Consolidated 2022		Consolidated 2021	
Name	Type	$'000	%	$'000	%
Controlled unit trusts					
CVW Index Fixed Interest Fund	Debt	197,742	96	114,772	100
CVW Schroder Equity Opportunities Fund	Equities	48,597	38	109,284	47
CVW Fixed Interest Fund	Debt	213,425	52	350,781	58
CVW Index International Shares Fund	Equities	217,620	92	177,440	98
CVW Listed Property Fund	Property	—	—	17,403	66
CVW Money Market Fund	Debt	146,441	90	127,644	87
CVW First Sentier Investors Infrastructure Fund	Property	22,119	26	99,032	56
CVW ClearBridge RARE Emerging Markets Fund	Equities	22,743	31	56,535	48
CVW Antipodes Global Fund	Equities	40,499	30	58,489	32
CVW Hyperion Australian Shares Fund	Equities	15,111	100	18,325	100
CVW Index Infrastructure and Property Fund	Property	90,719	90	43,887	100
CVW Index Emerging Markets Fund	Equities	38,613	94	27,221	100
CVW Index Australian Shares Fund	Equities	167,805	92	100,955	92
CVW Stewart Investors Worldwide Sustainability Fund	Equities	33,401	38	94,453	46
CVW Fairlight Global Fund	Equities	38,422	50	—	—
Total		**1,293,257**		**1,396,221**	

8. Related parties and other Group entities continued

8.5 Discontinued operations

On 25 August 2021, ClearView announced sale of its financial advice businesses, following a strategic review in this segment to seek out and pursue inorganic opportunities to accelerate its path to scale. The businesses were sold on 1 November 2021 to Centrepoint Alliance, in exchange for $3.2 million in cash (subject to a net asset adjustment) and the acquisition of a strategic 24.5% stake in Centrepoint Alliance. The acquisition of a strategic stake in Centrepoint Alliance allowed ClearView to participate in the financial advice industry consolidation but at the same time separate the product manufacturer and advice arms of its business.

The financial advice businesses were not previously classified as held-for-sale or as discontinued operations. The comparative condensed 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 performance and cash flow information presented for the current period reflect the operations for four months ended 31 October 2021.

	Consolidated	
	2022 $'000	2021 $'000
a) Results of discontinued operations		
Revenue	35,267	85,811
Expenses	(37,003)	(84,278)
(Loss)/profit before income tax	**(1,736)**	**1,533**
Income tax benefit/(expense)	134	(460)
(Loss)/profit for the period from discontinued operations	**(1,602)**	**1,073**
Gain on sale of discontinued operations after income tax (see c) below)	11,736	–
Profit from discontinued operations attributable to equity holders of the parent	**10,134**	**1,073**
Earnings per share from discontinued operations		
Basic (cent per share)	1.60	0.17
Diluted (cent per share)	1.59	0.17
b) Cash flows from discontinued operations		
Net cash (utilised)/generated by operating activities	(676)	248
Net cash generated by investing activities	104	1,270
Net cash flows for the period from discontinued operations	**(572)**	**1,518**

c) Details of sale of discontinued operations	
Consideration received:	
Cash	3,170
Investment in Centrepoint Alliance	13,440
Total disposal consideration	**16,610**
Carrying amount of net assets sold	(3,582)
Net asset adjustments[1]	152
Matrix brand sold	(200)
Transaction costs[2]	(1,717)
Gain on sale before income tax	**11,263**
Income tax benefit on gain	473
Gain on sale after income tax	**11,736**

1 Net asset adjustments was finalised and completed in 2H FY22.

2 Includes shared redundancy, legal, employee, consultancy and other costs associated with the sale of the financial advice businesses.

8. Related parties and other Group entities continued

At the time of the sale the fair value of the investment in Centrepoint Alliance was determined to be $13.4 million (48 million shares at 28 cents per share) and was recognised as investment in associate (refer to section 8.2).

The carrying amounts of assets and liabilities as at the date of sale (1 November 2021) were:

	1 November 2021 $'000
Cash and cash equivalent	3,290
Receivables	794
Deferred tax assets	15
Total assets	**4,099**
Payables	161
Provisions	356
Total liabilities	**517**
Net assets	**3,582**

9. Other disclosures

9. Other disclosures

9.1 Notes to the Consolidated statement of cash flows

	Consolidated		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Net profit/(loss) for the year	**21,175**	**6,679**	**8,424**	**(6,168)**
Fair value (gains) / losses on financial assets at fair value through profit and loss	208,888	(197,839)	–	–
Amortisation and depreciation	6,083	5,780	–	–
Employee share plan expense	376	33	–	–
Other non operating expenses / cash items	3,982	–	(36)	33
Subordinated debt interest expense	4,714	–	–	–
Profit from sale of subsidiaries	(11,263)	–	–	–
Movement in provision	(888)	530	–	–
Movements in liabilities to non-controlling interest in controlled unit trust	(26,264)	118,575	–	–
(Increase)/decrease in receivables and capitalised costs	1,949	2,080	(8,780)	(1,664)
Decrease/(increase) in deferred tax asset	(5,089)	4,934	394	24
Increase/(decrease) in payables	4,962	10,135	736	(704)
Increase/(decrease) in policy liabilities	118,600	322,093	–	–
Increase/(decrease) in deferred tax liability	(1,861)	1,282	(70)	(82)
Increase/(decrease) in current tax liability	4,397	(5,147)	4,397	(5,147)
Net cash (utilised)/generated by operating activities	**329,761**	**269,135**	**5,065**	**(13,708)**

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value.

9.2 Contingent liabilities and contingent assets

There may be outstanding claims and potential claims against the ClearView Group in the ordinary course of business. Furthermore, ClearView Group may be exposed to contingent risks and liabilities arising from the conduct of its business including contracts that involve providing contingent commitments such as warranties, indemnities or guarantees.

The ClearView group does not consider the outcome of any such claims known to exist at the date of this report, either individually or in aggregate is likely to have a material effect on its operations or financial position. The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

Certain subsidiaries act as trustee for various trusts. In this capacity, the subsidiaries are liable for the debts of the trusts and are entitled to be indemnified out of the trust's assets for all liabilities incurred on behalf of the trusts.

In the ordinary course of business, certain ClearView subsidiaries enter into various types of investment contracts that can give rise to contingent liabilities. It is not expected that any significant liability will arise from these transactions as any losses or gains are offset by corresponding gains or losses on the underlying exposure.

The Board had previously announced its strategic review and appointed external advisers to assist in evaluating any strategic options and potential future proposals in relation to a change in control. There are a range of circumstances and related outcomes that may result in a transaction or advisory fee being payable to the advisers

9. Other disclosures continued

by the Company. Due to the uncertainty of these circumstances arising, no value can be reliably placed on the existing liability at the date of this report.

Industry and regulatory compliance investigations

ClearView is subject to review from time to time by regulators. ClearView's principal regulators are APRA, ASIC and AUSTRAC, although other government agencies may have jurisdiction depending on the circumstances. The reviews and investigations conducted by regulators may be industry-wide or specific to ClearView and the outcomes of those reviews and investigations can vary and may lead, for example, to enforcement actions and the imposition of charges, penalties, variations or restrictions to licences, the compensation of customers, enforceable undertakings or recommendations and directions.

Letter of credit

ClearView was the beneficiary of a $70 million irrevocable letter of credit issued by Australia and New Zealand Banking Group Limited (**ANZ**) on behalf of Swiss Re Life and Health Australia (Swiss Re). As a result of entering into the new income protection incurred claims treaty, ClearView wound down the limits on the irrevocable letter of credit in FY21. Subsequently, the $70 million irrevocable letter of credit has been reinstated effective from 30 June 2022 to continue to support CLAL's Asset Concentration Risk Charge under APRA's regulations. The letter of credit is applied across both lump sum and income protection incurred claims treaties with Swiss Re.

Off balance sheet items – ESP loans

In accordance with the provisions of the ESP, as at 30 June 2022, key management, members of the senior management team and the managing director have acquired 18,133,432 (30 June 2021: 38,154,662) ordinary shares.

Shares granted under the ESP carry rights to dividends and voting rights. Financial assistance amounting to $12,872,422 (30 June 2022: $27,233,232) was made available to these participants to fund the acquisition of shares under the ESP, of which $10,918,893 (30 June 2021: $24,729,856) is held as an off balance sheet receivable. Given the non-recourse nature of the loans and the current CVW share price, the off balance sheet loan may not be recoverable as at 30 June 2022.

Other

The Company has guaranteed the obligations of one of its subsidiaries in respect of employee entitlements of employees who were previously employed by MBF Holding Pty Limited (Bupa Australia).

The Company in the ordinary course of business has provided a letter of financial support to its subsidiary ClearView Administration Services, the centralised administration entity of the group.

Other than the above, the Directors are not aware of any other contingent liabilities in the Group at the year end.

9.3 Leases

The main type of right of use asset recognised by the Group relates to property leases.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less, leases that expire within 12 months of initial application and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Right-of-use assets

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

Right-of-use assets are depreciated on a straight-line basis over the lease term or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the

9. Other disclosures continued

leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right- of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payment that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties.

The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	Consolidated		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Right-of-use assets				
Buildings	10,338	14,315	–	–
Equipment	118	201		
Total	**10,456**	**14,516**	**–**	**–**
Lease liabilities				
Buildings	11,039	13,803	–	–
Equipment	121	205	–	–
Total	**11,160**	**14,008**	**–**	**–**

Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	Consolidated		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Depreciation of right-of-use assets	3,079	2,158	–	–
Impairment of right-of-use assets	1,175	–	–	–
Interest expense	224	59	–	–

9. Other disclosures continued

Impairment during the year

During the year, a floor of the Sydney Head office was vacant as a result of the sale of the financial advice businesses. The vacancy is expected to last for 24 months before it is sub-let. In accordance with AASB 16, the right of use asset for this lease was impaired. An impairment charge of $0.9 million for the right of use asset and a provision of $0.3 million for the associated outgoing costs have been recognised and presented as part of the discontinued operation for the year ended 30 June 2022.

9.4 Capital commitments

ClearView has committed to technology projects and service agreements to a value of $21.5 million. This predominantly relates to the implementation and ongoing costs of a new integrated policy administration system and underwriting rules engine ($15.5 million). Other commitments of $6.0 million include the infrastructure as a service agreement (service fees), the implementation of the AASB 17 sub-ledger solution and the service and deliverable charges for new digital wealth front end. The following table outlines the expected cashflows in relation to those commitments.

	Consolidated					
	Year 1 $'000	Year 2 $'000	Year 3 $'000	Year 4 $'000	Year 5 $'000	Total $'000
PAS/URE	4,135	4,414	4,195	1,891	815	15,450
Other commitments	4,478	878	272	272	124	6,024
Total	**8,613**	**5,292**	**4,467**	**2,163**	**939**	**21,474**

9.5 Guarantees

The facility entered into with the National Bank of Australia is guaranteed jointly and severally by:

- ClearView Group Holdings Pty Limited ACN 107 325 388
- ClearView Administration Services Pty Limited ACN 135 601 875
- ClearView Financial Management Limited[1] ACN 067 544 549

On 1 November 2021, ClearView Financial Advice Pty Ltd and Matrix Planning Solutions Limited were removed as guarantors of the above facility as a result of the sale of the financial advice businesses.

The guarantees are supported by collateral (in the form of the shares) of the entities.

9.6 New accounting standards

New and revised Australian Accounting Standards and Interpretations affecting amounts reported and/ or disclosures in the financial statements

There has been no new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('**AASB**') that are mandatory for the current reporting period and affect amounts reported or disclosures in the financial statements.

1 For CFML who holds an Australian Financial Services License (AFSL) the recovery granted from the guarantee is limited to the extent that it does not result in the Company breaching its AFSL conditions.

9. Other disclosures continued

New and revised Australian Accounting Standards and Interpretations on issue but not yet effective

Standards and Interpretations on issue not yet adopted

At the date of authorisation of the financial statements, the following Australian Standards and Interpretations, which were on issue but not yet effective, will have a significant financial and disclosure impact on ClearView.

Standard/ Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 17 - Insurance Contracts	1 January 2023	30 June 2023

The other Australian Standards and Interpretations, which were on issue but not yet effective, are not expected to have significant financial and disclosure impact on ClearView.

Impact of changes to Australian Accounting Standards and interpretations on issue not yet effective

AASB 17 Insurance Contracts

Updates

AASB 17 Insurance Contracts replaces AASB 4 Insurance Contracts and AASB 1038 Life Insurance Contracts, and is effective for ClearView from 1 July 2023. AASB 17 aims to establish globally consistent principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. AASB 17 is not expected to change the underlying economics or cashflows of ClearView's business[1], but it is expected to have an impact on the emergence of profits and retained earnings on adoption of the accounting standard. Life investment contracts are currently measured under the AASB 9 Financial Instruments standard and will continue to be recognised under this standard.

In November 2020, APRA released its discussion paper Integrating AASB 17 into the capital and reporting frameworks for insurers and updates to the LAGIC framework which outlined their proposals to align, where appropriate, its capital and reporting frameworks with AASB 17. In December 2021, following industry consultation and feedback on the discussion paper, APRA released a pack containing its response and information papers, updated draft capital prudential and reporting standards, and its final instructions and requirements for an AASB 17 quantitative impact study (**QIS**).

Amongst other things, the key proposals and implications in APRA's AASB 17 requirements include:

- an effective date of 1 July 2023 for the APRA requirements to apply, which for ClearView is aligned to the effective date of AASB 17;
- more granular reporting to APRA (for example, the stepped premium business will be split from non-stepped premium business) of which a set of allocation principles is provided in the paper to assist with translating the AASB 17 level of aggregation to the proposed APRA reporting groups; and
- less alignment between APRA capital and AASB 17 financial reporting methodologies (for example, APRA is likely to maintain its long-term natural expiry contract boundary requirement for all businesses, including the yearly renewal term stepped business), leading to a need to have dual reporting for AASB 17 and for APRA.

The AASB 17 QIS was required to be performed on a 'best-endeavours' basis, where insurers were given three months to complete the exercise. Although the participation in this study was optional, ClearView elected to participate in the QIS with the required documents completed and submitted to APRA on 31 March 2022.

1 The Australian Taxation Office (ATO) has yet to provide any guidance on its AASB 17 requirements and, as such, ClearView has not been able to assess any tax-related impact.

9. Other disclosures continued

Key areas of consideration and progress

The AASB 17 will apply to all insurance and reinsurance contracts in ClearView Group and ClearView Life Assurance Limited (**ClearView Life**).

The financial calculations and operational changes relating to AASB 17 are highly complex. ClearView Group and ClearView Life continue to assess the impact of the requirements and emerging industry guidance on the financial statements and APRA requirements. While it is expected that AASB 17 will comprise of a transitional net asset impact on 30 June 2023 accompanied by an offsetting impact relating to the emergence of future profits, the quantum of these impacts is still being quantified. ClearView Group and ClearView Life intend to disclose the potential financial impact of adopting AASB 17 once it is practical to provide a reliable estimate.

The relevant key areas of consideration for ClearView Group and ClearView Life are set out below. Most areas discussed are fairly locked-in for transition on 1 July 2023. There are some areas that still require further work and consideration prior to finalisation - these are highlighted below and are expected to be settled by 31 December 2022.

- AASB 17 insurance and reinsurance contract liabilities and assets will be restated upon transition at 1 July 2023 using one of three 'transition approaches' allowed under the standard, namely the 'full retrospective approach' (**FRA**), the 'modified retrospective approach' (**MRA**) and the 'fair value approach' (**FVA**). The FRA essentially applies AASB 17 retrospectively for all historical financial periods, and relies on all relevant inputs, systems and models being practically available. If impracticability of using FRA is demonstrated, the MRA or FVA can be used, where a number of simplifications, such as approximating key inputs, are allowable. ClearView is in the process of finalising the transition approach including the impracticability assessment for using FRA.
- ClearView will apply the 'general measurement model' (**GMM**) for recognition and measurement of all insurance contracts and reinsurance contracts held. AASB 17 also allows the application of a simplified model if the coverage period of the contract is 12 months or less or if the liability for remaining coverage under the simplified model would not materially differ from the GMM.
- Changes to the level of aggregation, as AASB 17 requires that insurance contracts be pooled into portfolios of insurance contracts (**PICs**) that have similar risks and are managed together. For ClearView, the PICs are fairly settled and will comprise business sold under ClearChoice (open to new business), LifeSolutions (closed to new business) and a group of older legacy business (closed to new business), split by stepped and non-stepped (level) premium business. These portfolios will be further separated into groups of insurance contracts (**GICs**) split by profitability (or onerous) categories and contain contracts issued no more than 12 months apart (cohorts). AASB 17 also requires the unbundling of underlying (gross) insurance contracts from their related reinsurance contracts held. All things considered these will be more granular than the current related product groups under AASB 1038.
- The introduction of a risk adjustment for non-financial risk (**RA**) which reflects the compensation that ClearView requires for bearing the uncertainty in relation to the amount and timing of cash flows. The confidence level used to determine the risk adjustment will need to be disclosed. The proposed approach to quantify the RA will adopt a cost-of-capital calculation, where the work is currently underway to quantify the impact and lock down the approach.
- Although conceptually similar, the Contractual Service Margin (**CSM**) requirement under AASB 17 recognises profit on a different basis to the Margin on Services (**MoS**) approach under AASB 1038, and therefore the emergence of profit is likely to change for portfolios with positive profit margins.
- Changes to the contract boundary, of which projected cashflows are to be included, is likely to impact parts of ClearView's business. ClearView's underlying (gross) yearly renewable term (**YRT**) stepped premium business contract boundary is expected to be materially shortened from a long-term, natural expiry contract boundary under AASB 1038 to a 12-month contract boundary under AASB 17. This applies to both the lump sum and disability income business, and reflects the policyholder renewal and repricing cycle. Shortening the contract boundary is expected to result in different patterns of profit recognition compared to the current standards, where asymmetries will exist

9. Other disclosures continued

between other underlying level premium business and reinsurance contracts held.

- Liabilities of reinsurance contracts held will be determined separately to the gross underlying contract, and may have different contract boundaries and profit emergence.
- Some change to the insurance acquisition cost definition including what may be deferred (only directly attributable expenses will be assigned to contracts and an explicit asset has been introduced for short contract boundary business).

ClearView Group's and ClearView Life's first full year financial statements presented under AASB 17 will be for the year ending 30 June 2024 with comparatives required for the year ending 30 June 2023.

The implementation of AASB 17 will result in a considerable increase in data volume and data storage requirements. Efficient and controlled processes are important to ensure that ClearView Group and ClearView Life meet the reporting deadlines for both internal and external stakeholders as well as providing quality business insights and data for business decision-making.

To this end, ClearView Group and ClearView Life have assessed its current state and target state of operations including historical and projected data, key economic and insurance assumptions, and calculation and reporting models and are in the process of selecting and implementing new systems and reporting processes to cater for the requirements of AASB 17 and APRA.

Implementation of an external vendor AASB 17 sub-ledger system commenced in Q2 FY22. This system, along with enhancements to other satellite processes and models are required to perform AASB 17 calculations, data transformation and storage, analysis of results, and production of required general ledger entries and disclosures for financial accounts. The AASB 17 sub-ledger system is expected to be implemented by Q2 FY23 with all other related systems and processes to be in place prior to 30 June 2023.

9.7 Subsequent events

FY22 Final Dividend

A final fully franked FY22 cash dividend of 2 cent per share has been declared subsequent to year end ($13.2 million). The final FY22 dividend represents 47% of Operating Earnings After Tax.

Centerpoint Alliance dividend declaration

Subsequent to year end, Centerpoint Alliance has declared a fully franked ordinary dividend of 1 cent per share will be payable. The record date will be 15 September 2022 and the payment date 29 September 2022.

Letter of credit

ClearView is the beneficiary of a $70 million irrevocable letter of credit issued by Australia and New Zealand Banking Group Limited (**ANZ**) on behalf of Swiss Re Life and Health Australia (**Swiss Re**). As a result of entering into the new income protection incurred claims treaty, ClearView wound down the limits on the irrevocable letter of credit since FY21. Subsequent to 30 June 2022, the $70 million irrevocable letter of credit has been reinstated effective from 30 June 2022.

Strategic review

The strategic review process, which commenced in February this year, is ongoing. Discussions are continuing with interested parties in relation to the acquisition of the share capital of the Company. There are no assurances that the ClearView Board will decide to pursue any transaction, nor that any transaction will result from the negotiations.

COVID-19

There remains significant uncertainty with respect to the evolution of COVID-19 and its long-term impact. No subsequent events relating to COVID-19 were identified requiring adjustments to the amounts or disclosures in the financial statements. ClearView will continue to monitor the impact of COVID-19 and the impact of events that arise after the reporting period will be accounted for in the future reporting periods.

Directors' declaration

The Directors declare that:

a) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

b) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including the compliance with accounting standards and giving a true and fair view of the financial position and the performance of the Company and the consolidated entity;

c) In the Directors' opinion, the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board as disclosed in section 1 ; and

d) The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors

Mr Geoff Black
Chairman

23 August 2022

Independent auditor's report

Deloitte.

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Independent Auditor's Report to the members of ClearView Wealth Limited

Report on the Audit of the Financial Reports

Opinion

We have audited the financial reports of ClearView Wealth Limited (the "Company") and its subsidiaries (the "Group") which comprise the Group and the Company's statements of financial position as at 30 June 2022, the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.
In our opinion, the accompanying financial reports of the Group and the Company are in accordance with the *Corporations Act 2001*, including:

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

Basis for Opinion

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

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

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

Key Audit Matters

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

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Insurance policy liabilities As at 30 June 2022, the Group's life insurance policy liabilities balance was $(10.7) million as disclosed in Note 5.4. This is calculated based on recognised actuarial methods and assumptions, as disclosed in Note 5.6. There is a high degree of management judgment and estimation uncertainty associated with the valuation of the policy liabilities. Key judgement areas include assumptions such as: • Mortality and morbidity; • Lapse rates; • Discount rates; • Inflation rate; • Acquisition and maintenance expense assumptions; and • The impact of COVID-19.	In conjunction with our actuarial specialists our procedures included, but were not limited to: • Understanding the relevant controls relating to the policy valuations; • Testing, on a sample basis, the accuracy of outstanding claims by tracing claims estimates and claims payments to third party evidence; • Assessing the appropriateness of the valuation methodology, valuation process and valuation model used to determine the insurance policy liabilities to ensure compliance with APRA's Life Prudential Standard 340, "Valuation of Policy Liabilities"; • Testing the mathematical accuracy of the valuation model; • Assessing the appropriateness of the key assumptions (including mortality and morbidity, lapse rates, discount rates, inflation rate, acquisition and maintenance expense assumptions, and the impact of COVID-19); • Comparing model outputs to the results of experience studies for reasonableness; • Assessing the reasonableness of the year's changes in reserves and the analysis of profit conducted by management; and • Assessing the adequacy of the disclosures in Note 5.4 and 5.6 to the financial statements.
Carrying value of intangible assets As at 30 June 2022 the Group's intangible asset balance totalled $17.4 million, as disclosed in Note 4.1 of the financial statements. The recognition and measurement of intangible assets is a key audit matter because of the Group's ongoing investment in a new policy administration system and the judgement required to: • Recognise when costs incurred are eligible for capitalisation in accordance with AASB 138 *Intangible Assets*; and • Assess the useful life of IT assets.	Our audit procedures included, but were not limited to: • Understanding the relevant controls relating to capitalised costs; • Assessing amounts capitalised for significant projects against the capitalisation requirements prescribed by AASB 138 *Intangible Assets*; • Assessing and challenging management's assessment of impairment indicators in accordance with AASB 136 *Impairment of Assets*; and • Assessing the appropriateness of the useful lives applied to IT systems.
Carrying value of Goodwill As at 30 June 2022 the Group's goodwill balance totalled $12.5 million, as disclosed in Note 4.1 of the financial statements. $8.5 million of the goodwill is allocated to the Wealth Management cash generating unit,	Our audit procedures included, but were not limited to: • Understanding the relevant controls relating to ClearView's impairment assessment and the preparation of the valuation models used to assess the recoverable amount of ClearView's CGU's;

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while the remaining $4 million is allocated to the Life Insurance cash generating unit. The assessment of impairment of the Group's goodwill involved the exercise of significant judgement in determining the key assumptions supporting the expected future cash flows. The key assumptions as disclosed in Note 4.2 of the financial statements include: • Mortality and morbidity (Life Insurance only); • Investment returns; • Discount rates; • Lapse rates; and • Maintenance costs.	• Assessing and challenging the identification of CGU's and allocation of goodwill and cash flows for the purposes of assessing the value in use of the cash generating unit; • Assessing and challenging the key assumptions utilised in the impairment calculation; • Assessing the methodology and their documented basis for key assumptions utilised in the valuation model as described in Note 4.2 and ensuring the methodologies applied are consistent with the relevant accounting standards; • Testing the mathematical accuracy of the model; • Assessing the historical accuracy of forecasting for the CGU; • Performing sensitivity analysis to assess the impact on the impairment test of a change in the key assumptions applied in the calculation of the recoverable amount; and • Assessing the adequacy of the disclosures in Note 4.1 and Note 4.2 of the financial statements.

Other Information

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

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

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

Responsibilities of the Directors for the Financial Reports

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

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

Auditor's Responsibilities for the Audit of the Financial Reports

Our objectives are to obtain reasonable assurance about whether the financial reports as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements

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can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial reports.

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

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

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in page 56 to 76 of the Directors' Report for the year ended 30 June 2022.

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

Responsibilities

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

Deloitte Touche Tohmatsu

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JLGorton

Joanne Gorton
Chartered Accountants

Sydney, 23 August 2022

Shareholders' Information

As at 10 August 2022

Substantial shareholders

As at the date of this Annual Report, the following entities have notified ClearView that they hold a substantial holding in shares.

Rank	Name	No. of shares as per notice	% of issued capital
1	CCP Bidco Pty Ltd and Associates[1]	399,543,860	60.44
2	Perpetual Corporate Trust Limited	74,450,844	11.26
3	Sony Life Insurance Co., Ltd[2]	101,254,639	15.32

1 Crescent Capital Partners Management Pty Limited represent the interests of CCP Bidco Pty Limited (CCP Bidco) and Perpetual Corporate Trust Limited (Perpetual) as manager. Perpetual's shareholding % is therefore included in the 60.44% holding of CCP Bidco in the table above.

2 Sony Life Insurance Co., Ltd's (Sony Life) shareholding is held through its custodian, Citicorp Nominees Pty Limited and under the Option Agreement signed with Crescent and therefore also included in the 60.44% holding of CCP Bidco in the table above.

Twenty largest shareholders (as at 10 August 2022)

Rank	Name	No. of shares as per notice	% of issued capital
1	CITICORP NOMINEES PTY LIMITED	156,711,656	23.71
2	PERPETUAL CORPORATE TRUST LIMITED <ROC CVW CO -	66,950,844	10.13
3	CCP BIDCO PTY LTD <CCP BIDCO A/C>	57,302,851	8.67
4	CCP TRUSCO 4 PTY LIMITED <CCP DESIGNATED TST IVA A/C>	43,582,632	6.59
5	CCP BIDCO PTY LIMITED <CCP BIDCO TST 2 A/C>	33,786,569	5.11
6	CCP TRUSCO 5 PTY LIMITED <CCP DESIGNATED TST IVB A/C>	30,893,528	4.67
7	CCP TRUSCO 1 PTY LIMITED <CCP SPECIFIC TST IVA A/C>	28,458,809	4.31
8	PORTFOLIO SERVICES PTY LTD	24,441,472	3.70
9	CCP TRUSCO 3 PTY LIMITED <CCP SPECIFIC TST IVC A/C>	16,262,175	2.46
10	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	15,986,006	2.42
11	NATIONAL NOMINEES LIMITED	13,702,767	2.07
12	CCP TRUSCO 2 PTY LIMITED <CCP SPECIFIC TST IVB A/C>	13,551,813	2.05
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	13,190,426	2.00
14	MR SIMON SWANSON	10,000,000	1.51
15	ACCURO TRUST (SWITZERLAND) SA <THE LAGOON A/C>	8,235,295	1.25
16	PERPETUAL CORPORATE TRUST LTD <ROC PIF>	7,500,000	1.13
17	TAMIM INVESTMENTS PTY LIMITED <TAMIM TVG - SPV1 A/C>	7,401,665	1.12
18	WINTOL PTY LTD <THE GZ BURG FAMILY A/C>	6,302,827	0.95
19	MANYATA HOLDINGS PTY LIMITED <SWANSON FAMILY A/C>	5,550,000	0.84
20	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT	5,219,988	0.79

Ordinary share capital

There are 661,038,648 fully paid ordinary shares held by 1,597 shareholders. All the shares carry one vote per share.

Shareholders’ information continued

Distribution of shareholders

The distribution of Shareholders as at 10 August 2022 is as follows:

Range	Total holders	Units	% of issued capital
1 - 1,000	308	94,265	0.01
1,001 - 5,000	400	1,150,347	0.17
5,001 - 10,000	251	1,887,835	0.29
10,001 - 100,000	463	15,570,799	2.36
100,001 - 9,999,999,999	175	642,335,402	97.17
Total	**1,597**	**661,038,648**	**100.00**

Unmarketable parcels	Minimum parcel size	Holders	Units
Minimum $ 500.00 parcel at $ 0.6750 per unit	741	253	43,698

Shares under voluntary escrow

There are no shares subject to voluntary escrow as at 30 June 2022.

Directory

Current Directors

Geoff Black (Chairman)

Michael Alscher

Gary Burg

Jennifer Lyon

Nathanial Thomspon

Susan Young

Managing Director

Simon Swanson

Company Secretary

Judilyn Beaumont

Appointed Actuary

Ashutosh Bhalerao

Chief Risk Officer

Cloe Reece

Registered Office and Contact Details

Level 15, 20 Bond Street
Sydney NSW 2000

GPO Box 4232
Sydney NSW 2001

Telephone: +61 2 8095 1300

Facsimile: +61 2 9233 1960
Email: ir@clearview.com.au
Website: www.clearview.com.au

Share Registry

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

Computershare Investor Services Pty Limited

Level 3, 60 Carrington Street
Sydney NSW 2000

GPO Box 2975
Melbourne VIC 3001

Telephone:
1300 850 505
+61 3 9415 4000

Facsimile: +61 3 9473 2500

www.computershare.com.au

Auditors

Deloitte Touche Tohmatsu

Stock Listing

ClearView Wealth Limited is listed on the Australian Securities Exchange (**ASX**) under the ASX code 'CVW'.

Annual Corporate Governance Statement

The ClearView Annual Corporate Governance Statement may be viewed at www.clearview.com.au/about- clearview/corporate-governance

ClearView Wealth Limited

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