ClearView Results FY24 Investor Presentation

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ClearView is a dynamic challenger with significant momentum

ClearView's strategic execution is tracking to plan – achieved through simplification (focus on life insurance), progressing transformation program, enhancing adviser accessibility and being easy to do business with

1

Increasingly attractive Life Insurance market

- Industry has returned to growth following structural and regulatory changes
- Positive outlook for Retail market is supported by market consolidation and stabilisation of adviser channel
- ClearView operates in the Retail segment

2

Strong financial performance & outlook

- ClearView's market share is increasing in a growing market, with a focus on quality sustainable earnings
- Group Underlying NPAT (from continuing operations) up 25% to $35.3m in FY24 under new accounting standard AASB 17
- Life Insurance business to continue to support double digit Underlying NPAT growth
- Business is in a net capital generation position

3

Launch of new sustainable product range in line with structural industry changes

- Flagship ClearChoice product range launched in October 2021 to address industry sustainability issues – well received by market
- Enhancements to ClearChoice flagship product suite have resulted in continued market outperformance - includes targeted segmentation and pricing using data insights
- Confidence to increase exposure to underwriting risk for new business from 1 October 2023
- ClearChoice 24 refresh step towards product innovation and sustainability measures for TPD products

4

Established distribution network and challenger brand in financial advice market

- ClearView has a proven track record as a challenger brand in the IFA market
- Focus is on maximising penetration by being easy to do business with
- Depth of life insurance expertise across teams

5

Technology and transformation

- Well-progressed on transformation journey to build the foundation for scalable growth, agility and speed to market
- Expected to result in significant competitive advantage via single, modern technology platform
- Further delivers significant product flexibility for future opportunities
- Migration of in-force portfolios onto new (cloud-based) technology platform on track for completion in 1H FY26

Financial highlights and FY26 goals

Group Underlying NPAT (from continuing operations) up 25% to $35.3m in FY24 under new accounting standard AASB 17; final FY24 dividend of 1.7cps (total of 3.2cps)

	New Business Market Share	Gross Premiums	In-force Premium Market Share	Life Insurance Underlying NPAT Margin	Dividend
FY23 Actual	9.2%	$325.1m +9%	3.2%	9.9%[1]	Fully franked FY23 dividend 3.0cps 54% payout
FY24 Actual	11.0%	$358.1m +10%	3.5%	11.0%	Fully franked FY24 dividend 3.2cps 60% payout
FY26 Goals	12%-14%	$400m+	~4%	11%-13%	Dividend Policy 40%-60% of Underlying NPAT

1. FY23 Underlying NPAT margin restated to 9.9% (from 9.7%) to remove impacts on Underlying NPAT from changes in claims assumptions in FY23 to ensure consistency between periods.

ClearView has adopted AASB 17 for first time

FY24 are the first results that ClearView is providing under the new accounting standard AASB 17 – it does not impact the economics of the business, financial strength, claims paying ability or dividend capacity – it impacts the timing of recognition of insurance earnings, not the quantum in total

Key AASB 17 Impacts

- No change in operating metrics
- No change in product cash flows
- No change in Embedded Value methodology and calculations[1]
- No change in FY26 financial goals
- No impact on capital requirements
- Change in timing and pattern of profit recognition including accelerated write off of upfront acquisition costs
- Different recognition (timing) of certain items such as capitalised losses, lapses and premium rate increases
- But overall no change to profitability that **remains the same over life of insurance contract**

Metric	FY24 AASB 17 (New Basis)	FY23 Comparison: FY23 AASB 17 (New Basis)	FY23 Comparison: FY23 AASB 1038 (Old Basis)	Commentary
In-force Premiums	$373.9m	$339.3m	$339.3m	No change
New Business Sales	$33.7m	$25.2m	$25.2m	No change
Life Underlying NPAT	$39.5m	$32.2m	$40.4m	Pattern of profit release
Life Reported NPAT	$9.1m	$16.6m	$24.8m	Interest rates and pattern of profit release
Embedded Value[2]	$591.1m	$587.1m	$587.1m	No change[1]
Net Assets	$353.2m	$393.4m	$485.3m	Opening write off (timing) but material tax benefit

The net impact is that the operating metrics do not change but the timing and profit recognition patterns are impacted for a fast growing life insurance business like ClearView.
FY24 Life Insurance Underlying NPAT is up 23% to $39.5m under new standard – the life insurance business is expected to continue to support double digit Underlying NPAT growth as previously communicated. Group dividend up 7% but lags growth in Underlying NPAT due to adoption of new standard (prior year dividend was calculated on old basis)

1. No changes from AASB 17 have been allowed for, in particular from a change in timing of tax payments given the change in timing of profit release – all other product cash flows remain unchanged
2. Embedded Value at 4% discount rate margin, including a value for future franking credits, accrued franking credits and ESP loans.

Simplified business focused solely on life insurance

Our Strategy	Key Highlights	Support FY26 Target Outcomes

Simplified business model and transformation	• **Depth of life insurance expertise** across organisation
	• **Increased exposure to underwriting risk** for new business from 1 October 2023
	• Multi year **IT and back-office investment**:
	  • Phase 1 - enhancement and build out of new technology platform and back-end functionality now completed – operational for new business
	  • Phase 2 commenced - migration of existing (closed to new business) in-force policies onto new functional platform
	• Full **exit from financial advice** completed; significant **progress in wealth exit**
		• IT and back-office investment and operational efficiencies from new platform key part of FY26 targets
		• Operational efficiency benefits of technology investment to be achieved post completion of Phase 2 with target completion in 1H FY26
		• Scale benefits, increased exposure to underwriting risk for new business, and operational efficiency from IT investment supports margin accretion (over time)

Focus on being *easy to do business with*	• New business momentum, product and channel focus driving growth • New business **up 34% to $33.7m** • New business market share of **11.0%** (up from 9.2% in FY23) • Gross premiums **up 10% to $358.1m** • In-force premiums **up 10% to $373.9m** • In-force (advice) market share **of 3.5%** (up from 3.2% in FY23)	**New Business Market Share:** 12%-14% **Gross Premiums:** $400m+ **In-force Premium Market Share:** ~4%
Driving business performance	• Life Underlying NPAT margin of **11.0%** • Group Underlying NPAT from continuing operations **up 25% to $35.3m** • Life Insurance business to support **double digit Underlying NPAT growth** • Business is in a **net capital generation** position • **Introduction of interim dividend** fully franked (1.5 cps) paid in March 2024 • **FY24 final dividend** fully franked (1.7 cps) payable in September 2024 (brings total FY24 dividend to 3.2 cps at top end of payout ratio range) • **Dividend range to be uplifted** post completion of IT transformation investment and wealth management exit to 50%-70% of Underlying NPAT subject to the capital requirements of the business at the time.	**Life Insurance Underlying NPAT Margin:** 11%-13% **Dividend Policy:** 40%-60% of Underlying NPAT

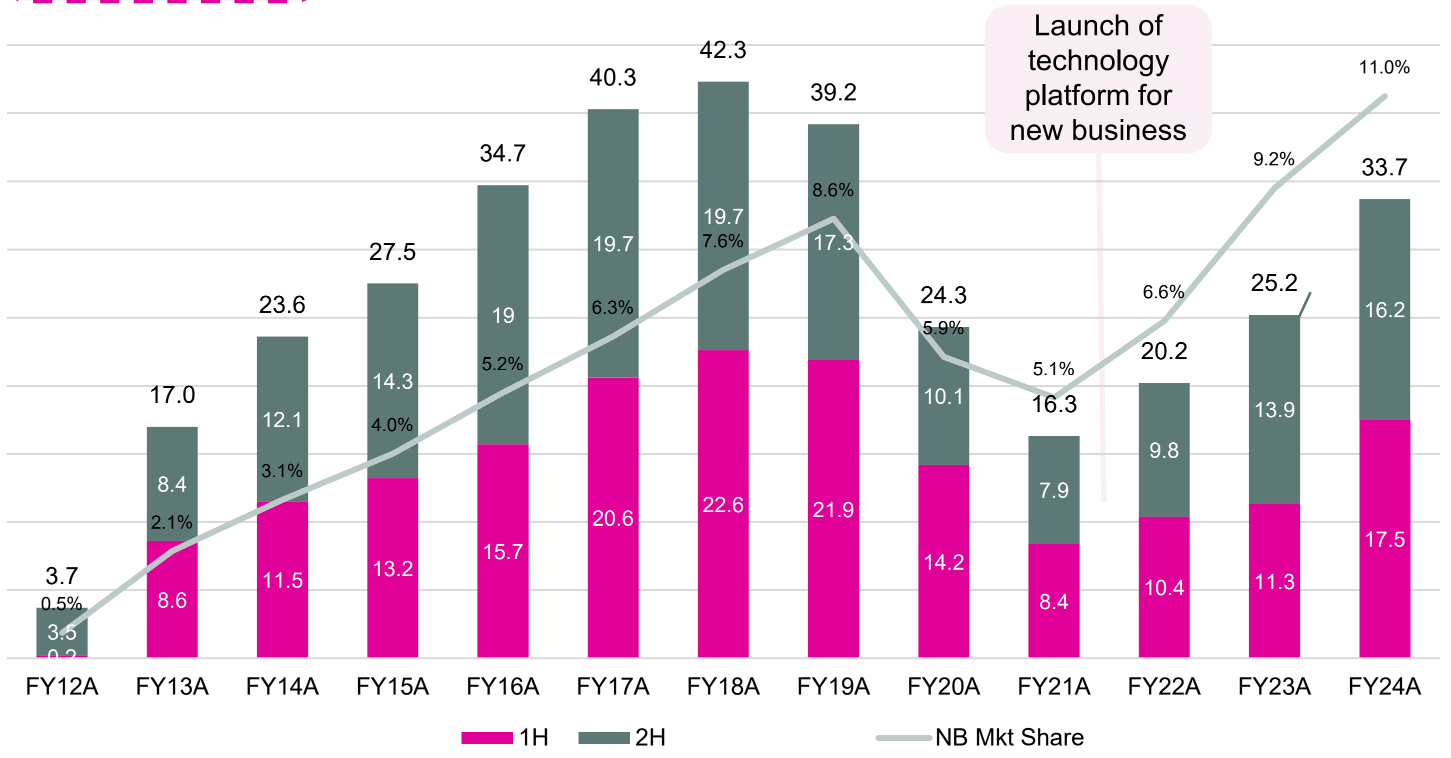
ClearView is gaining new business market share in a growing market

New business up 34% to $33.7m in FY24 with 11% market share

FY26 Target New Business Market Share

12%-14%

IFA New Business ($m) and Market Share (%)



Challenger in IFA market

- Sales momentum and growth continued in FY24
- New sales of $33.7m (up 34%)
- New business market share up to 11.0% – increasing from 9.2%
- Reflects a "step-change" in the sales momentum since Q4 FY23 aligned to overall market growth
- Market growth of 11% to circa $300m of new sales - driven by improving industry dynamics and adviser productivity supported by underlying demand for life insurance products
- ClearView is gaining new business share - growing market
- Deep distribution relationships, quality of new product and data/ analytics focus is driving new business share gains
- Strongly positioned to take further advantage of market rebound

New business market share

11%

of IFA market

Consistent YoY growth of in-force premium since entry in IFA market

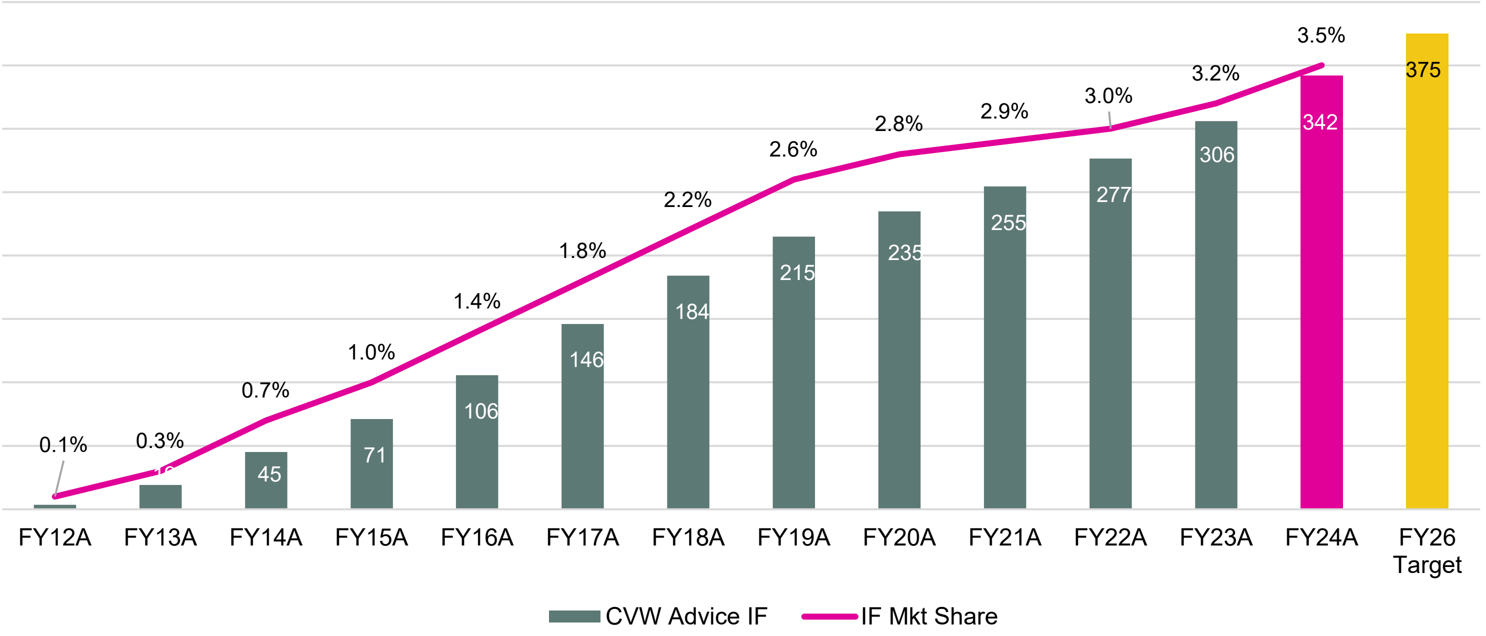
In-force portfolios should trend to higher new business share (over time) which underpins the growth profile

FY26 Target

In-force Premium Market Share

~4%

Advice In-force ($m) and Market Share (%)



Strong track record of in-force premium growth since entry into retail market in FY12

- ~$18B life insurance market across retail, group and direct to consumer channels
- ClearView only participates in the ~$9.6B retail life insurance advice channel
- Overall growth in industry is underpinned by longer term sustainable factors such as population growth, ageing population, inflation and household wealth, income and debt levels
- ‘Start up’ in adviser channel in FY12 - in-force premiums in adviser channel up 12% to $341.9m
- In-force market share of 3.5% of IFA market (stock) whilst new business share of 11% (flow)
- New business market share circa 3 times in-force market share

In-force market share

3.5%

of IFA market

ClearView overview and strategy

ClearView overview and strategy

Core Focus

Life insurance

Creating advantage through strategic transformation

1 Simplified Cloud-based Architecture

We are targeting a market-leading, single policy administration system (**PAS**) with cloud-based architecture

This technology provides significant product flexibility and customisation to change offerings efficiently and at scale

→

2 Smaller size with core Life focus

Our ambition is to be the best at Life Insurance, leveraging our size and simplicity as well as our data insights capability to make fast and informed decisions

Our core Life strategy enables a singular focus on being *easy to do business with and delivering a superior customer experience*

→

3 Speed to market

We strive to continually understand the needs of our customers and respond quickly and appropriately

We are developing the technological and business agility to address our customers and the changing market with speed and efficiency

Exited November 2023

Financial Advice

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

Exit in progress

Wealth Management

December 2023 - ClearView Trustee retired and ETSL appointed

January 2024 - Sale of Investment Management business to Human Financial

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

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

How do we achieve growth – next phase

Our goal is to be the best at Life Insurance, moving from a mid-tier to top-tier player

How will we achieve this ambition?

NON-CORE | **CONTINUE** | **START**

Horizon 1 | Horizon 2

1 Wealth business

- Full exit of wealth management targeted by Q3 FY25
- Allows focus on core Life Insurance business
- Implement Life only target operating model

2 Strategic Transformation

- Complete migration onto new platform
- Progress Workflow and Portal further releases
- Progress operations transformation program

3 Build Strong BAU Foundation

- High performance culture, capability, and management
- Sustainable and aligned products to meet customer needs – annual refresh
- Nimble and pro-active with a single focus to harness ClearView's unique culture, size and collective expertise

4 Execute Distribution Strategy

- Expand IFA distribution relationships and APLs
- State based distribution model with aligned interests, loyalty and brand recognition
- Target to be top 3 insurer for advisers to earn appropriate share of wallet

5 Amplify Retail Growth

- Specific product / target market focus
- Stay ahead of curve by increased sophistication of data analytics
- Prepare for new cohort of financial advisers that are using digital customer engagement tools

6 Diversify earnings through test and learn

- Investigate feasibility of diversification options – Retirement and Customer-led
- Identify opportunities to build Group capability

MARGIN FOCUS TO DRIVE VALUE FOR CUSTOMER

ClearView objectives

To support the corporate vision, ClearView has articulated its key focus objectives aligned to purpose, people and performance

Customer Outcomes

Support Australians and their families to achieve peace of mind for the future, by being easy to do business with

Community impact

Be a positive force for the community by protecting the financial wellbeing and resilience of Australian society

People Outcomes

Be an employer of choice, with a high-performance culture and collegiate small company feel

Business partner outcomes

Be fair and transparent with business partners to support long term relationships

Earnings / Return on capital

Grow the economic value of the company, reflected in share price, stable return on capital and regular dividend

Capital adequacy

Be a trusted brand to deliver on obligations through prudent capital approach

PURPOSE | **PEOPLE** | **PERFORMANCE**

ClearView

FY24 result

FY24 Group result – AASB 17 basis

FY24 result reflects increased rates, strong revenue growth and positive business momentum. Life insurance business performance expected to continue to support double digit Underlying NPAT growth as previously communicated

Underlying NPAT by Segment, $M	FY24	FY23[4]	%[1]
Life insurance	39.5	32.2	23%
Listed/Group costs	(4.2)	(3.9)	10%
Group Underlying NPAT from continuing operations[3]	**35.3**	**28.2**	**25%**
Financial advice – interest in Centrepoint Alliance	2.8	0.7	Large
Wealth management – discontinued operation	(4.6)	(2.7)	Large
Group Underlying NPAT	**33.5**	**26.2**	**28%**

Key financial metrics, $M unless otherwise stated	FY24	FY23	%[1]
New business	33.7	25.2	34%
In-force premiums	374	339	10%
Life Underlying NPAT margin[2] (%)	11.0%	9.9%	+110bps

1. % change FY23 to FY24
2. FY23 Underlying NPAT margin restated to 9.9% (from 9.7%) to remove impacts on Underlying NPAT from changes in claims assumptions in FY23 to ensure consistency between periods
3. A reconciliation of statutory profit to Group Underlying NPAT from continuing operations is provided on Slide 16
4. FY23 restated on AASB 17 basis. FY23 Group Underlying NPAT from continuing operations restated from $27.5m due to changes in claims assumptions in FY23 to ensure consistency between periods

Continued growth in FY24:

- New Business up 34% to $33.7m
- In force premiums up 10% to $373.9m
- Group Underlying NPAT from continuing operations up 25% to $35.3m
- Life Underlying NPAT margin of 11.0%
- Performance driven by strong new business volumes, inflation linked premiums, higher interest rates and positive lapse experience, offset by adverse income protection and TPD claims experience

Wealth management business continues to be treated as a discontinued operation:

- Significant progress made in exit in FY24 with retirement as trustee (December 2023) and sale of investment management business (January 2024) with proceeds of $4.9m (loss on sale of $2.1m)

Sale of 24.4% interest in Centrepoint Alliance:

- Full exit from financial advice via sale of equity interest in November 2023 with proceeds of $15.2m (gain on sale of $2.2m)

Exit of wealth management and financial advice aligned to core focus of being a life risk insurance provider

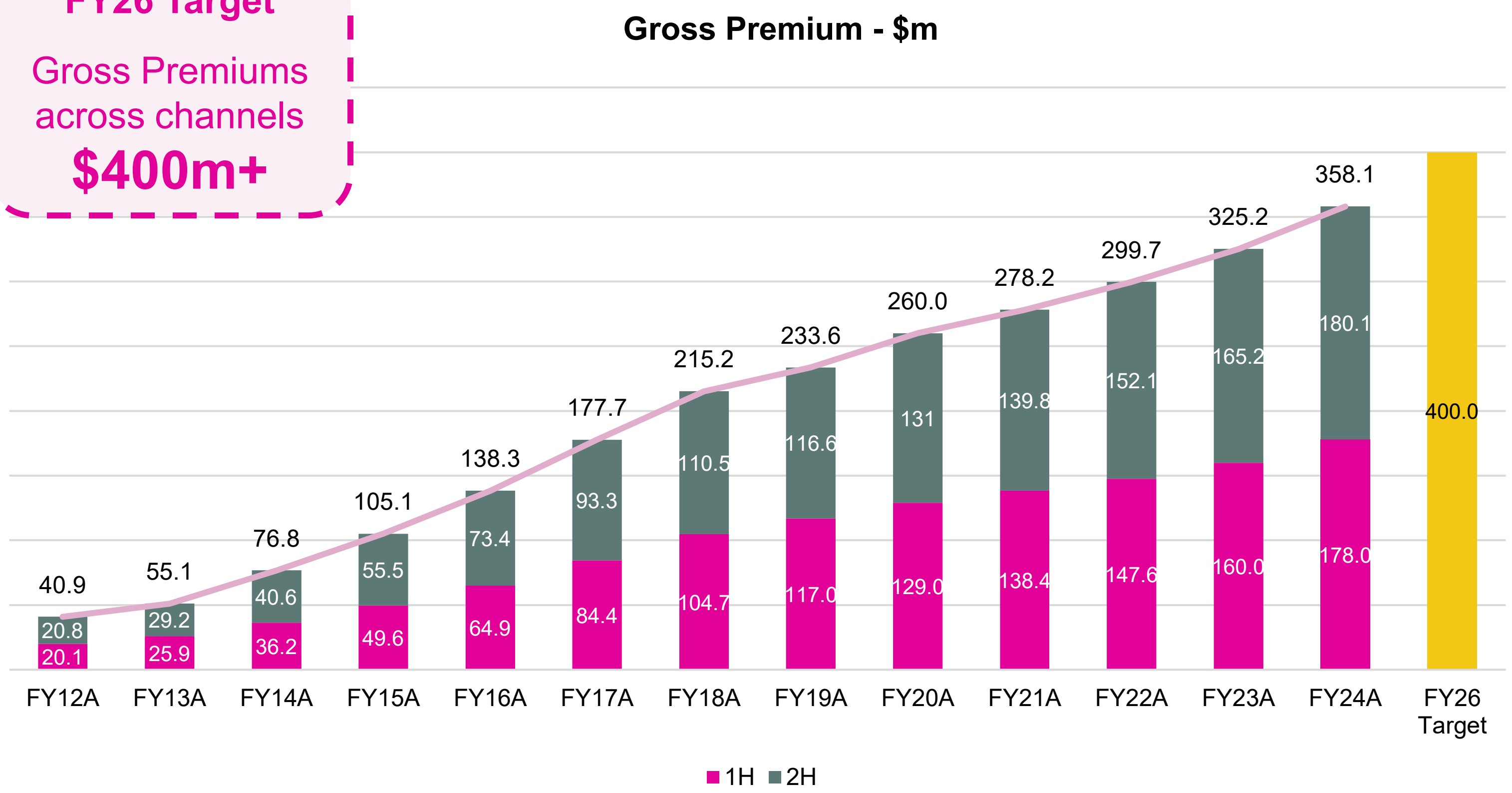
Strong track record of top line growth

FY24 gross premiums up 10% to $358.1m - driven by market share gains (new business flows) and inflation linked premiums, with lapses largely in line with expectation. Gross premium for the period broadly reflects average in-force premiums

FY26 Target

Gross Premiums across channels

$400m+



Consistent top line growth since entry into IFA market in FY12

FY24 total in-force premiums
$374m
+10%

Adviser channel in-force premiums
$342m
+12%

Closed non advice portfolios in run off
$32m
-4%

With a focus on profitable growth

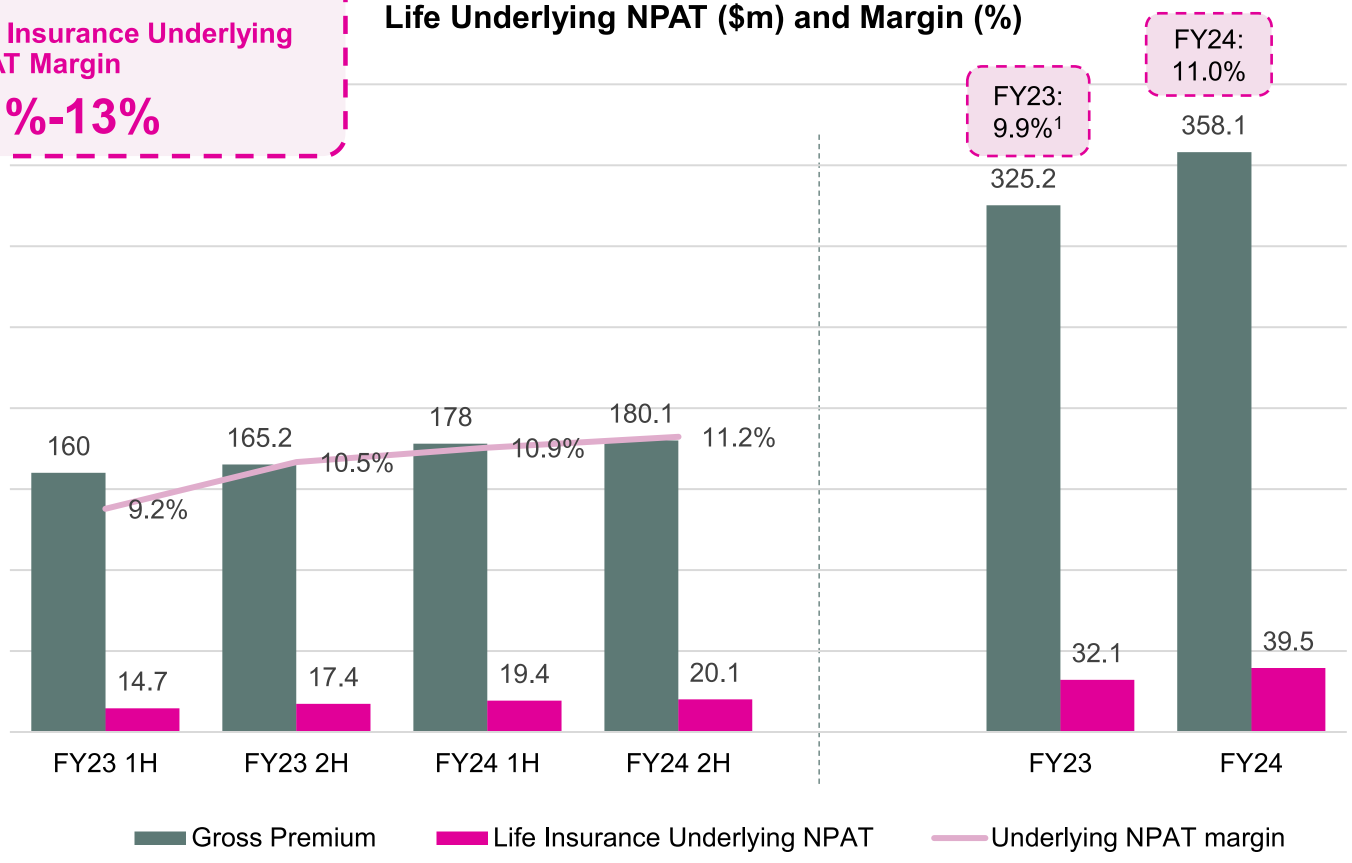
FY24 Life Insurance Underlying NPAT up 23% to $39.5m; Underlying Life NPAT margin of 11.0% - AASB 17 basis

FY26 Target

Life Insurance Underlying NPAT Margin

11%-13%

Life Underlying NPAT ($m) and Margin (%)



Underlying NPAT margin of life insurance business:

- Improved margin between periods reflects interest rate changes, strong business momentum and performance (benefits of transformation program)
- FY24 Underlying NPAT margin of 11.0% - impacted by TPD and income protection claims
- Claims assumptions updated to reflect increased TPD and income protection claims costs[2]
- Further phase of the gross premium repricing cycle in CY25 to cover the increased claims and (if applicable) reinsurance costs across these products[3]
- The above has been allowed for in FY26 target margin range of 11% - 13%
- Improving target margin range (over time) driven by scale benefits, increased exposure to underwriting risk for new business (from 1 October 2023) and operational efficiency savings from IT investment (FY26)

1. 2H FY24 Underlying NPAT margin restated to 10.5% (from 10.1%) to remove impacts on Underlying NPAT from changes in claims assumptions in FY23 to ensure consistency between periods. FY23 total margin restated to 9.9% (from 9.7%)
2. FY24 claims assumption changes include updates to the incurred but not reported claims delay assumptions, in particular in relation to TPD claims
3. Ability to change premium rates (subject to competitor and customer pricing risks) to allow for any change in assumptions and reinsurance costs (if applicable)

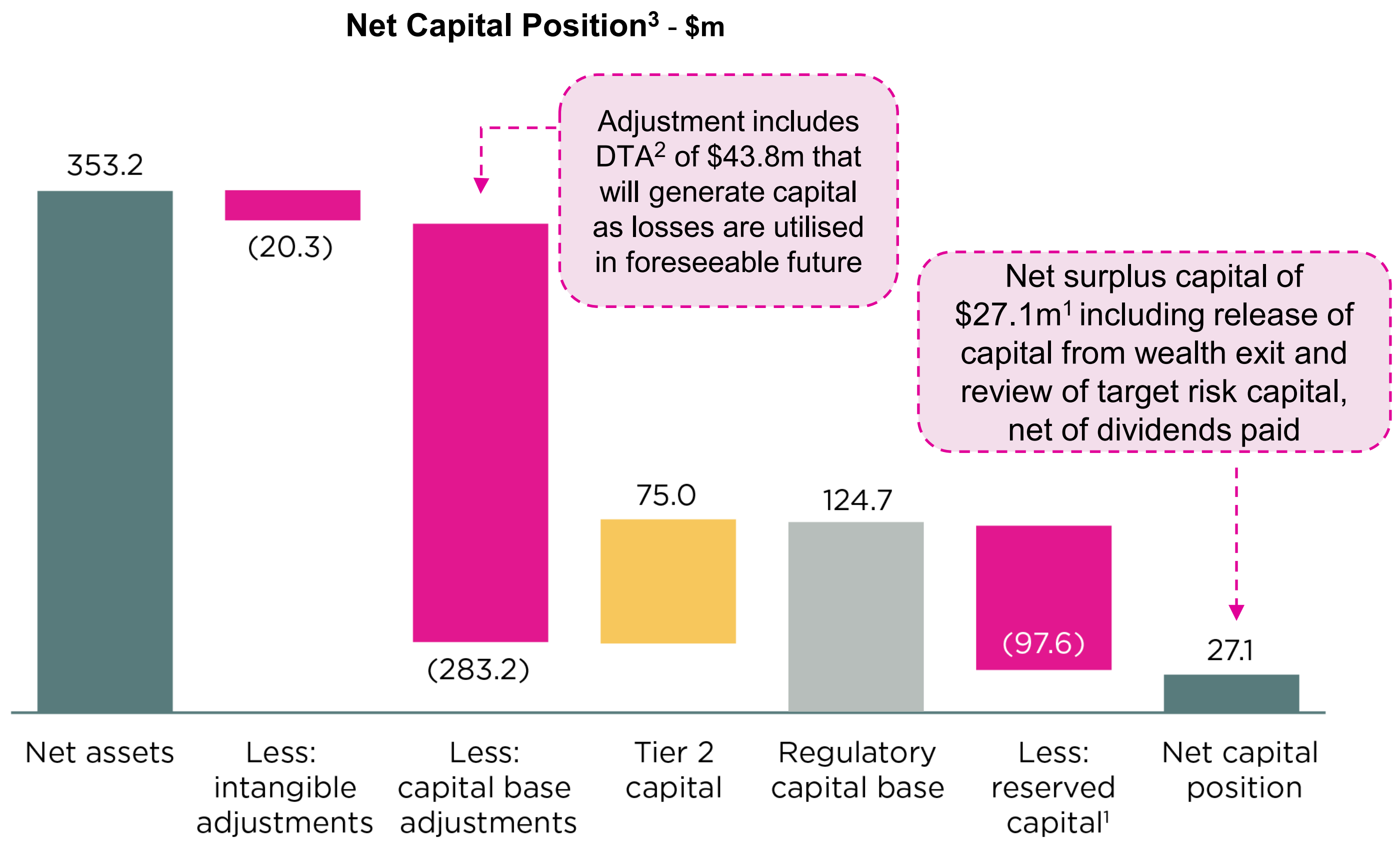
Non-IFRS Financial Information

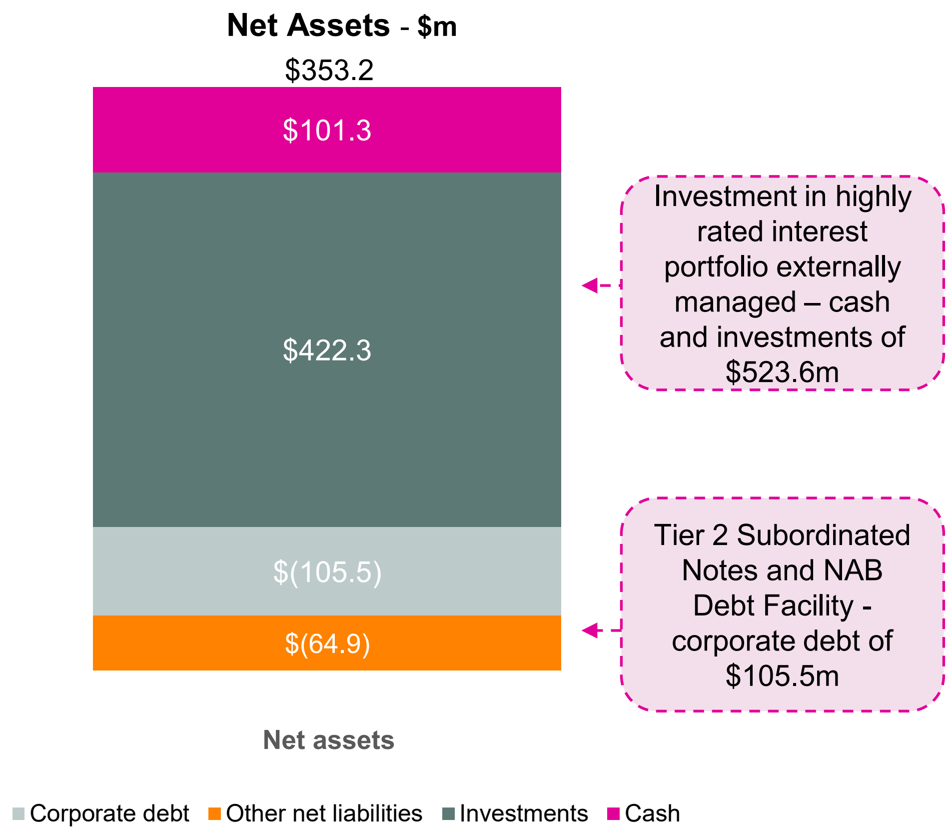
Underlying NPAT is Board's key measure of profitability and basis on which dividends are determined – considered to be a non-IFRS measure given that it excludes certain items not considered relevant to Group's performance or are considered unusual to ordinary activities of business

	Explanation	FY24 $m AASB 17	FY23 $m AASB 17	Commentary
Reported NPAT	Statutory reported profit (loss) after tax	**(12.5)**	**8.9**	**As per statutory accounts**
Reported NPAT Discontinued Operations	Reported loss after tax of wealth management business (discontinued operation) net of equity accounted earnings of Centrepoint Alliance (to date of sale) and profit on sale of shares in Centrepoint Alliance in November 2023	16.8	2.8	FY24 wealth management reported loss after tax includes impairment of goodwill and intangibles (software), exit costs and loss on sale in investment management business. Remaining wealth exit costs related to redundancies and technology exit costs to flow through in FY25 on completion of exit
Reported NPAT from Continuing Operations		**4.3**	**11.7**	
Economic assumption impact on AASB 17 Liability	Result of changes in long term discount rates used to determine (re)insurance contract asset/liability which is discounted using market discount rates that typically vary at each reporting period. ClearView continues to separately report this volatility – the acquisition cost asset is no longer marked to market under AASB 17	2.2	(3.0)	Impact of changes in long-term discount rates on AASB 17 insurance contract liability in the year, including economic effects of assumption changes (FY23 restated to allow for consistency between periods). Similar concept as adopted under old accounting standard
Net economic assumption impact on disabled lives reserves (DLR)	Changes in the long-term discount rates used to determine the incurred income protection claims reserves, net of investment income impact including earnings from changes in asset market values due to changes in long term interest rates and inflation	(0.8)	2.3	Consistent treatment as previously adopted under the old accounting standard with the underlying earning rate of the investment portfolio being reported as part of Underlying NPAT
Impairment of AIACF	Relates to non-cash impairment of acquisition cost asset and represents a timing difference in the release of profit and has no impact on underlying earnings over the life cycle of a policy – see slide 38 for further details	16.3	10.0	The increased claims and other assumption changes has a material impact on loss recognition and AIACF impairment in FY24. A further phase of the gross premium repricing cycle in CY25 (to cover the increased claims and reinsurance costs across these products) is likely to result in the FY24 loss component/AIACF impairment partially reversing in FY25 (timing variant to premium rate increase)
Changes in Loss Component	Given capitalised nature of these losses and the level of granularity of reporting under AASB 17, these have now been separately reported and removed from underlying earnings under the new standard	12.2	4.6	See AIACF commentary above on the impacts of change in assumptions on the Loss Component (loss recognition) in FY24 (and potential partial reversal in FY25)
Current year timing impacts of assumption changes on the contractual service margin (CSM)	Under AASB 17 certain timing issues arise whereby the impact on reinsurance profits is recognised faster than the reduction to profit on gross contracts. This is due to two factors, being the pattern of coverage units which are used to release the CSM into profit results in earlier recognition of reinsurance profit or loss than for gross contracts and in the first year of any assumption change, the impact on gross contracts is lower than the impact on reinsurance contracts due to the different contract boundaries	(2.3)	-	The increased claims assumptions, reshaping of lapse assumptions and other assumptions changes in FY24 result in a current year (positive) timing impact on the CSM that is excluded from Underlying NPAT, but included in reported profit
Costs considered unusual to ordinary activities	Costs associated with the strategic review and IT (PAS) transformation	3.4	2.6	Strategic review costs ceased in FY24. IT transformation and duplication costs to be incurred to date of migration - expected to be completed in 1H FY26
Underlying NPAT from Continuing Operations		**35.3**	**28.2**	**Board's key measure of profitability and basis on which dividends are determined**

Balance sheet strength

Net assets are backed by cash and highly rated securities - balance sheet provides strong downside protection due to its high level of net tangible assets. Transition to AASB 17 (1 July 2022) resulted in a reduction in net assets of $83.6m (after tax) and creation of a deferred tax asset of $35.9m



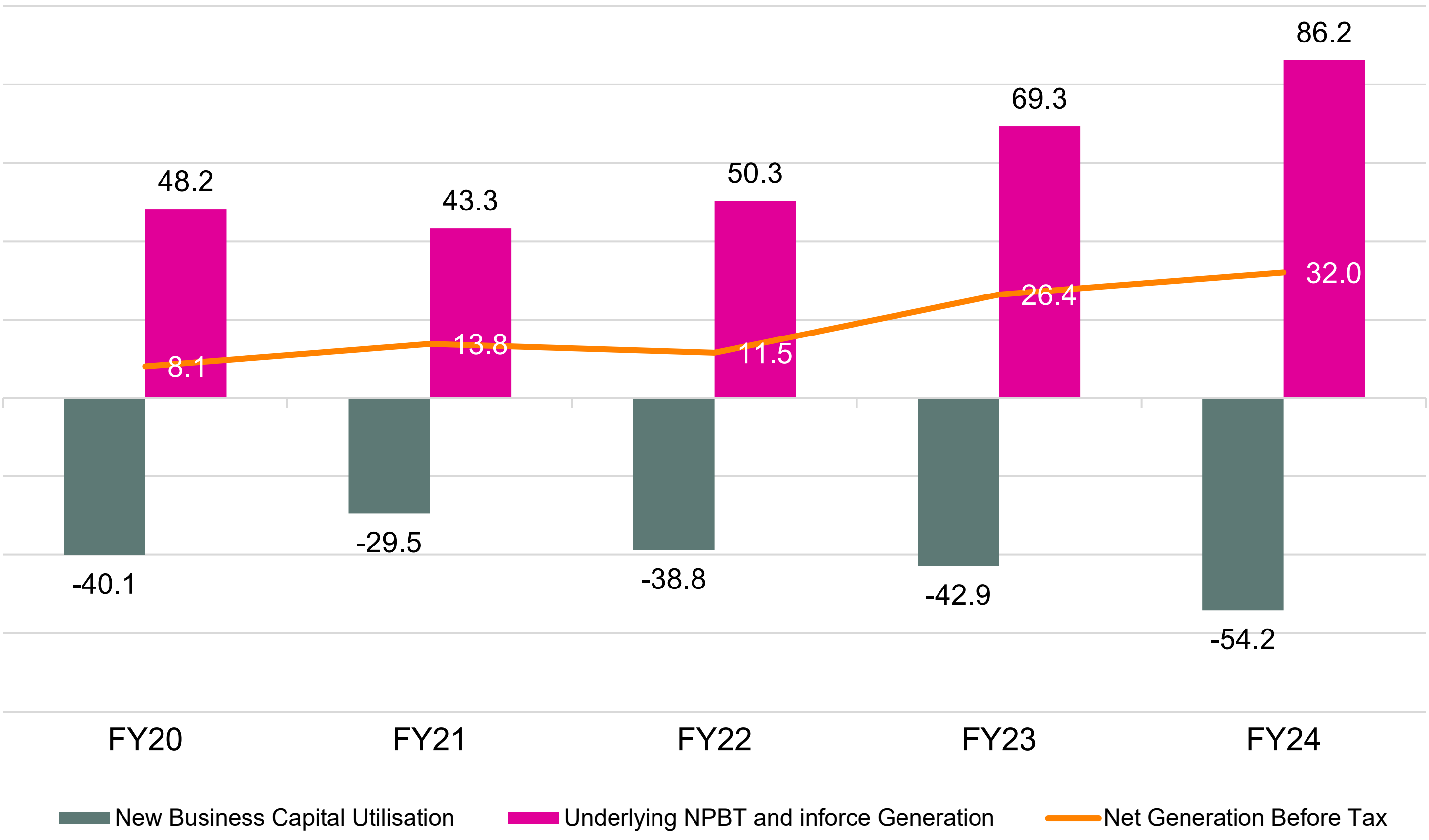


1. Includes benefit of $15.9m from treatment of capitalised software asset. Capitalised software asset is held by the administration entity with 50% of the carrying value removed as part of the intangible adjustment.
2. 1 July 2022 opening Balance Sheet impact on net assets for in-force business as at the transition date has an impact of $83.6m after tax. As a result of the transition to AASB 17, the Group's accounting net of reinsurance life insurance contract liability, for which the carrying amount will be settled in future periods has increased. This results in the recognition of a deferred tax asset of $35.9m, given the movement in the net life insurance contract liability is deductible when settled in the future. While the Australian Taxation Office (ATO) and Treasury has yet to provide any announcement or guidance in respect of the AASB17 impacts on life insurance companies, there is no indication that AASB 17 will result in a change to the income tax laws. Given that it is probable that the Group's future taxable profit will be available against which the tax losses can be utilised, the additional deferred tax asset of $35.9m has been recognised on balance sheet on transition. Total Group deferred tax asset (related to Group carried forward losses) of $43.8m as at 30 June 2024 – this tax (capital) benefit should be realised in future periods as the losses are utilised
3. Net capital position of $27.1m stated prior to FY24 final dividend; includes a capital release of $5.9m from the sale of the investment management business to Human Financial on 31 January 2024 and $5.2m from the sale of the shareholding in Centrepoint Alliance in November 2023. Net capital position is stated after the payment of the FY23 and HY24 cash dividends of $29.7m in the financial year.

Capital generation

The life insurance in-force portfolios generate significant capital which is subsequently reinvested into new business generation

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



ClearView continues to generate capital from its in-force portfolios[1] prior to reinvestment in new business:

- New business capital utilisation is related to upfront policy acquisition costs – varies between periods dependent on new business volumes
- Each year, these acquisition costs[2] are recovered via premiums and are repaid over the life of the policy (subject to lapse risk)
- In-force capital generation reflects a combination of the Underlying NPBT achieved and policy acquisition costs released (collected) from the in-force portfolios in a particular financial year
- FY24 prepared on a AASB 17 basis – AIACF asset is now held on Balance Sheet for stepped premium business

1. Excluding costs considered unusual to ordinary activities in each relevant financial period (as disclosed), tax and growth in regulatory and ICAAP reserves. Excluding capital expenditure investment. Life Insurance business only – excludes listed segment.
2. Deferred acquisition costs are the upfront costs associated with policy acquisition that are collected via the premiums from policyholders over the life of the policy.
3. Life insurance Underlying NPBT has been defined as the Life Insurance Underlying NPAT adjusted for tax at 30%.

Embedded value at 30 June 2024

Embedded value (EV) represents the discounted cash flow of in-force portfolio – no new business is included in calculations. EV has been prepared on a consistent basis - no allowance in future projections for changes to tax cash flow given changes to timing of profit release on adoption of AASB 17

Discount rate Risk margin over risk free rate[1] ($M), (unless otherwise stated)	7% 3% dm	8% 4% dm	9% 5% dm
Life insurance	522.7	502.3	462.3
Value of In Force (VIF)	**522.7**	**502.3**	**462.3**
Net worth	6.3	6.3	6.3
Total EV[3]	**529.0**	**508.6**	**468.6**
ESP Loans[2]	0.9	0.9	0.9
Total EV including ESP Loans	**529.9**	**509.5**	**469.5**
Franking Credits @ 70%:			
Life Insurance	79.9	75.3	71.3
Net worth (accrued franking credits)	6.3	6.3	6.3
Total Franking Credits	**86.2**	**81.6**	**77.6**
Total EV including ESP loans and franking credits	**616.1**	**591.1**	**547.1**
EV per Share including ESP Loans (cents)	**81.9**	**78.8**	**72.6**
EV per Share including ESP Loans and Franking Credits (cents)	**95.2**	**91.4**	**84.6**

Risk free rate has remained unchanged at 4%:

- The Life Insurance EV increased by 9.4% to $608.1m, including franking credits
- Wealth Management segment continues to be reflected at net assets and included in net worth $3m (FY23: $17m)
- Listed segment of -$20.1m driven by the payment of the cash dividends in the year (-$29.7m)
- Overall EV is therefore $591.1m or 91.4cps including franking credits or $509.5m or 78.8cps excluding franking credits net of dividends of 4.5cps paid during year
- A risk free rate of 4% has continued to be adopted

1. EVs have been presented at different 'discount margin' rates over the assumed long-term risk free rate reflected within the underlying cash flows valued. "DM" represents the discount rate risk margin which refers to the margin above the assumed long-term risk free rate. The long-term risk free rate adopted for the FY24 EV is 4% (FY23: 4%). As at 30 June 2024 unless otherwise stated
2. ESP loans are a non-recourse loan that is accounted for as an option and not reported as a receivable on the Balance Sheet as at the reporting date. Based on the 90 day VWAP share price of 57.74 cents per share at 30 June 2024, of the remaining 6.1 million ESP shares on issue (and included in the total shares on issue of 651.0 million), 2.1 million ESP shares are considered to be in the money with a ESP loan recoverable balance of $0.9 million. 4.0 million out of the money ESP shares could therefore be bought back, thereby reducing the shares on issue to 647.0 million shares. As such, $0.9 million of ESP loans have been added to the net assets and 647.0 million shares on issue have been used for the purposes of calculating the net asset value per share. On a fully diluted basis, net of 2.6 million treasury shares, a further 9.1 million performance and restricted rights can be converted into ordinary shares - these have been excluded for the purposes of the calculation.
3. Assumptions used in the EV are consistent with best estimate assumptions in the statutory insurance contract liability valuation, with the exception of the assumed gross premium repricing cycle in CY25 across the relevant products to cover the claims cost assumption changes

ClearView

Outlook

FY25 outlook

Focus on Life Insurance

- **Business simplification** leads to core focus on life insurance
- **Continue market outperformance** in profitable segments including further market share gains (in a growing market)
- **Increased exposure to underwriting risk** (for new business only), thereby improving margin (over time)
- Complete **exit from wealth management** business expected by Q3 FY25

Continue Transformation

- **Implementation of IT transformation strategy**
- **Enhancement and build out of technology platform** has progressed significantly with Phase 1 of back-end functionality now completed
- Phase 2 now underway for **migration of existing** in-force onto new functional platform to achieve scale and efficiency benefits of technology investment (FY26)
- **Workflow and portal** in development
- **Continue capability uplift** - new leaders across key business areas

Financial Outlook

- Life insurance business performance expected to continue to support **double digit Underlying NPAT growth**[1] **as previously communicated**
- **FY26 target Underlying NPAT** margin range of 11% -13%
- **Introduction of interim dividend** in HY24 after period of transformation and investment (paid March 2024)
- **FY24 final fully franked dividend of 1.7 cps** - represents 60% payout ratio at top end of target payout ratio
- **Dividend range to be uplifted** post completion of IT transformation investment and wealth management exit (reflects capital generation position)

1. Subject to achieving the assumptions set in relation to claims, expenses and lapse experience in Board approved FY25-27 business plan.

Glossary

Underlying NPAT	Underlying NPAT is used as a non IFRS measure of earnings that excludes the impacts of market and interest rate volatility, with the definition updated to reflect the application of AASB 17. Underlying NPAT has been defined as the consolidated profit after tax excluding the effects of economic changes on both the AASB 17 insurance contract liability and the incurred income protection disabled lives reserves, the (non-cash) impairment of the asset for acquisition cash flows (AIACF), changes in the loss component that is predominantly driven by the level premium business, current year timing impacts of assumption changes on the contractual services margin and any costs considered unusual to the Group's ordinary activities. Underlying NPAT includes the amortisation of capitalised software and leases, underlying investment income (the portfolio carry yield on the investment portfolio and interest rate earned on physical cash holdings), costs associated with the incurred claims reinsurance treaties and interest costs associated with corporate debt and Tier 2 Capital.
Underlying NPAT (from continuing operations)	Underlying NPAT excluding the wealth management business (discontinued operation), the equity accounted earnings of Centrepoint Alliance from the date of completion (1 November 2021) and the profit on sale of the shares in Centrepoint Alliance in November 2023. No adjustments have been made in each relevant period for stranded costs or other internal charges as a result of the exit of the financial advice and wealth management businesses.
From continuing operations	Includes Life Insurance business unit and the listed segment; excludes the wealth management business (discontinued operation), the equity accounted earnings of Centrepoint Alliance from the date of completion (1 November 2021) and the profit on sale of the shares in Centrepoint Alliance in November 2023.
New Business Market Share	ClearView calculations based on NMG Risk Distribution Monitor Reports for Retail Advice New Business Analysis for relevant periods – NMG Market analysis includes total of 'Retail' consistently applied (that is, IFA, Bank Advice and Aggregator channels). FY24 new business market share based on NMG Risk Distribution Monitor Reports for Retail Advice New Business Analysis based on rolling 12 months to 31 March 2024.
In-force Market Share	ClearView calculations based on NMG Risk Distribution Monitor Reports for Retail Advice In-force Analysis for relevant periods – NMG Market analysis includes total of 'Retail' consistently applied (that is, IFA, Bank Advice and Aggregator channels). FY24 in-force market share based on NMG Risk Distribution Monitor Reports for Retail Advice In-force Analysis as at 31 March 2024.
FY26 Goals	FY26 goals based on AASB 17 FY25-27 business plan forecasts approved by the Board on 16 July 2024.
Life Insurance Underlying Margin	Is calculated as Life Insurance Underlying NPAT divided by Gross Premium Income.
IP	Income protection (monthly paying benefit)
TPD	Total and permanent disablement (lump sum benefit)

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Appendix Additional Financial Information

AASB 17 Financial Information (Management View)

Consolidated FY24 results (AASB 17): Management View - Reconciliation of Underlying NPAT to Reported NPAT[1]

	2023			2024			%
Consolidated Profit or Loss[1]	**1H**	**2H**	**FY23**	**1H**	**2H**	**FY24**	**Change[2]**
Gross life insurance premiums	160.0	165.2	**325.1**	178.0	180.1	**358.1**	10%
Interest and other income[3]	4.6	6.4	**10.9**	7.2	6.8	**14.0**	28%
Gross Income	**164.6**	**171.5**	**336.1**	**185.2**	**186.9**	**372.1**	11%
Claims incurred (gross)	(66.2)	(66.6)	**(132.8)**	(84.1)	(91.9)	**(176.0)**	33%
Reinsurance recoveries	46.6	48.3	**94.9**	61.5	66.3	**127.8**	35%
Reinsurance premium expense	(61.3)	(61.9)	**(123.2)**	(64.1)	(66.1)	**(130.2)**	6%
Commission & other external expenses	(33.4)	(35.3)	**(68.7)**	(41.0)	(41.3)	**(82.3)**	20%
Operating expenses	(31.3)	(33.6)	**(64.9)**	(34.7)	(34.5)	**(69.2)**	7%
Interest on debt & facility fees[3]	(3.8)	(4.2)	**(8.1)**	(4.9)	(5.1)	**(10.0)**	23%
Other movement in insurance contract liability	2.9	3.9	**6.8**	6.5	10.9	**17.4**	Large
Underlying NPBT	**18.0**	**22.1**	**40.1**	**24.5**	**25.0**	**49.5**	23%
Income tax (expense) / benefit	(5.4)	(6.5)	**(11.9)**	(7.2)	(7.0)	**(14.2)**	19%
Group Underlying NPAT from continuing operations	**12.7**	**15.5**	**28.2**	**17.3**	**18.0**	**35.3**	25%
Financial Advice – Interest in Centrepoint Alliance	1.7	(1.0)	**0.7**	2.8	-	**2.8**	Large
Wealth Management - Discontinued operation	(1.0)	(1.7)	**(2.7)**	(1.9)	(2.8)	**(4.7)**	74%
Group Underlying NPAT	**13.4**	**12.8**	**26.2**	**18.3**	**15.2**	**33.5**	28%
Change in loss component	(1.2)	(3.5)	**(4.6)**	(1.3)	(10.9)	**(12.2)**	Large
Economic assumption impact on AASB17 liability	2.4	0.6	**3.0**	1.5	(3.7)	**(2.2)**	Large
Net economic assumption impact on disabled lives reserves (DLR)	0.3	(2.6)	**(2.3)**	1.2	(0.4)	**0.8**	Large
Changes in AIACF impairment	(5.1)	(5.0)	**(10.0)**	(8.9)	(7.5)	**(16.4)**	64%
Current year timing impacts from assumption changes on CSM	-	-	**-**	-	2.3	**2.3**	NM
Wealth Management exit	-	(0.8)	**(0.8)**	(14.1)	(0.8)	**(14.9)**	NM
Costs considered unusual to ordinary activities	(1.4)	(1.1)	**(2.6)**	(1.9)	(1.5)	**(3.4)**	31%
Reported NPAT	**8.5**	**0.4**	**8.9**	**(5.3)**	**(7.2)**	**(12.5)**	NM

1. Management view under AASB 17 basis. Wealth management excludes the life investments contracts (that is, unit linked business) and reflects fees earned by the shareholder less expenses incurred. Inter-segment revenues/expenses are not eliminated in the management view.
2. % change represents the movement from FY23 to FY24.
3. Underlying investment income includes the portfolio carry yield on the investment portfolio and interest rate earned on physical cash holdings. Interest cost on corporate debt includes Tier 2 subordinated debt costs and costs on the bank debt facility. Excludes interest on discontinued operations

FY24 Result (AASB 17) - Life insurance management view

Life Insurance Profit or Loss[2]	2023 1H	2023 2H	2023 FY23	2024 1H	2024 2H	2024 FY24	% Change[1]
Gross life insurance premiums	160.0	165.2	**325.1**	178.0	180.1	**358.1**	10%
Interest Income	4.2	5.8	**10.0**	6.4	6.2	**12.6**	26%
Interest on Tier 2	(1.3)	(1.4)	**(2.7)**	(1.5)	(1.6)	**(3.1)**	15%
Claims incurred (gross)	(66.2)	(66.6)	**(132.8)**	(84.1)	(91.9)	**(176.0)**	33%
Reinsurance recoveries	46.6	48.3	**94.9**	61.5	66.3	**127.8**	35%
Reinsurance premium expense	(61.3)	(61.9)	**(123.2)**	(64.1)	(66.1)	**(130.2)**	6%
Commission & Other External	(33.4)	(35.3)	**(68.7)**	(41.0)	(41.3)	**(82.3)**	20%
Operating expenses	(30.5)	(33.2)	**(63.7)**	(34.1)	(33.8)	**(67.9)**	7%
Other movement in insurance contract liability	2.9	3.9	**6.8**	6.5	10.9	**17.4**	Large
Income tax (expense) / benefit	(6.3)	(7.4)	**(13.7)**	(8.3)	(8.6)	**(16.9)**	23%
Life Insurance Underlying NPAT	**14.7**	**17.4**	**32.1**	**19.4**	**20.1**	**39.5**	**23%**
Change in loss component	(1.2)	(3.4)	**(4.6)**	(1.3)	(10.9)	**(12.2)**	Large
Economic assumption impact on AASB17 liability	2.4	0.6	**3.0**	1.5	(3.7)	**(2.2)**	Large
Net economic assumption impact on disabled lives reserves (DLR)	0.3	(2.6)	**(2.3)**	1.2	(0.4)	**0.8**	Large
Changes in AIACF impairment	(5.1)	(5.0)	**(10.1)**	(8.9)	(7.5)	**(16.4)**	64%
Current year timing impacts from assumption changes on CSM	-	-	**-**	-	2.3	**2.3**	NM
Costs considered unusual to ordinary activities	(1.1)	(0.4)	**(1.5)**	(1.6)	(1.2)	**(2.8)**	87%
Reported NPAT	**10.1**	**6.5**	**16.6**	**10.3**	**(1.2)**	**9.1**	**(45%)**

1. % change represents the movement from FY23 to FY24.
2. Management view under AASB 17 basis

FY24 Result - Life insurance key statistics

Key Statistics And Ratios ($M)	2021 1H	2021 2H	FY21	2022 1H	2022 2H	FY22	2023 1H	2023 2H	FY23	2024 1H	2024 2H	FY24
New Business (Advice)	8.4	7.9	**16.3**	10.4	9.8	**20.2**	11.3	13.9	**25.2**	17.5	16.2	**33.7**
In-Force - Total	282.0	289.8	**289.9**	297.3	311.4	**311.4**	325.1	339.3	**339.3**	359.2	373.9	**373.9**
In- Force (Advice)	246.6	254.5	**254.5**	262.1	276.5	**276.5**	290.9	305.9	**305.9**	326.5	341.9	**341.9**
LifeSolutions	246.6	254.5	254.5	260.6	266.3	266.3	269.7	270.2	270.2	271.4	268.2	268.2
ClearChoice	—	—	—	1.5	10.2	10.2	21.2	35.7	35.7	55.1	73.7	73.7
In- Force (Non-Advice)	35.4	35.3	**35.3**	35.2	34.9	**34.9**	34.2	33.4	**33.4**	32.6	32.0	**32.0**
Cost to Income Ratio	18.9%	20.1%	**19.5%**	19.8%	20.5%	**20.2%**	19.1%	20.1%	**19.6%**	19.2%	18.8%	**19.0%**

FY24 Result - Listed/Group management view

	2021			2022			2023			2024			%
Listed Profit or Loss	**1H**	**2H**	**FY21**	**1H**	**2H**	**FY22**	**1H**	**2H**	**FY23**	**1H**	**2H**	**FY24**	**Change[1]**
Interest Income	0.1	0.0	**0.1**	0.1	0.9	**1.0**	0.4	0.6	**0.9**	0.8	0.6	**1.4**	56%
Interest on debt & facility fees	(1.0)	(1.8)	**(2.8)**	(1.9)	(2.0)	**(3.8)**	(2.6)	(2.8)	**(5.4)**	(3.4)	(3.5)	**(6.9)**	28%
Operating expenses	(0.7)	(0.4)	**(1.2)**	(0.7)	(0.8)	**(1.6)**	(0.8)	(0.4)	**(1.2)**	(0.6)	(0.7)	**(1.3)**	8%
Income tax (expense) / benefit	0.3	0.5	**0.8**	0.7	0.4	**1.1**	0.9	0.9	**1.8**	1.1	1.6	**2.7**	50%
Listed Underlying NPAT from continuing operations	**(1.4)**	**(1.7)**	**(3.1)**	**(1.9)**	**(1.4)**	**(3.3)**	**(2.1)**	**(1.8)**	**(3.9)**	**(2.1)**	**(2.1)**	**(4.2)**	8%
Financial Advice - Interest in Centrepoint Alliance	0.9	0.1	**1.0**	(0.5)	0.2	**(0.2)**	1.7	(1.0)	**0.7**	2.8	-	**2.8**	Large
Listed Underlying NPAT	**(0.5)**	**(1.6)**	**(2.1)**	**(2.3)**	**(1.2)**	**(3.6)**	**(0.4)**	**(2.8)**	**(3.2)**	**0.7**	**(2.1)**	**(1.4)**	(56%)
Financial Advice divestment	-	-	**-**	11.8	(0.3)	**11.5**	-	-	**-**	-	-	**-**	-
Impairments	-	-	**-**	(0.8)	-	**(0.8)**	-	-	**-**	-	-	**-**	-
Costs considered unusual to ordinary activities	-	-	**-**	(2.0)	(0.4)	**(2.4)**	(0.4)	(0.7)	**(1.1)**	(0.3)	(0.3)	**(0.6)**	(45%)
Reported NPAT	**(0.5)**	**(1.6)**	**(2.1)**	**6.7**	**(1.9)**	**4.7**	**(0.8)**	**(3.5)**	**(4.3)**	**0.5**	**(2.5)**	**(2.0)**	(53%)

1. % change represents the movement from FY23 to FY24.

FY24 Result – Management View Wealth Management – Discontinued Operation

	2021			2022			2023			2024			%
Wealth Management Profit or Loss[1]	**1H**	**2H**	**FY21**	**1H**	**2H**	**FY22**	**1H**	**2H**	**FY23**	**1H**	**2H**[3]	**FY24**	**Change**[2]
Fund management fees	15.5	15.5	**31.0**	16.0	13.9	**29.9**	10.9	10.5	**21.3**	10.0	6.4	**16.4**	(23%)
Interest Income	0.1	0.3	**0.4**	0.0	0.0	**0.0**	0.5	0.2	**0.7**	0.4	0.2	**0.6**	(14%)
Commission & Other External	(2.5)	(2.7)	**(5.3)**	(2.2)	(1.9)	**(4.1)**	(1.4)	(1.4)	**(2.8)**	(1.3)	(0.2)	**(1.5)**	(46%)
Funds management expenses	(4.3)	(4.3)	**(8.6)**	(4.2)	(3.9)	**(8.1)**	(2.8)	(2.8)	**(5.6)**	(2.7)	(1.8)	**(4.5)**	(20%)
Operating expenses	(8.3)	(8.7)	**(16.9)**	(8.1)	(9.8)	**(17.9)**	(8.5)	(8.9)	**(17.4)**	(9.0)	(8.8)	**(17.8)**	2%
Income tax (expense) / benefit	0.1	0.1	**0.2**	(0.3)	0.4	**0.2**	0.5	0.7	**1.2**	0.8	1.2	**2.0**	67%
Wealth Management Underlying NPAT	**0.6**	**0.1**	**0.7**	**1.1**	**(1.2)**	**(0.1)**	**(1.0)**	**(1.7)**	**(2.7)**	**(1.8)**	**(2.9)**	**(4.7)**	**74%**
Wealth Management divestment	(1.5)	(1.6)	**(3.1)**	-	-	**-**	-	(0.8)	**(0.8)**	(1.9)	(2.4)	**(4.3)**	Large
Impairment of goodwill and intangibles	-	-	-	-	-	-	-	-	**-**	(12.2)	1.7	**(10.5)**	Large
Costs considered unusual to ordinary activities	-	(0.2)	**(0.2)**	(0.1)	(0.1)	**(0.2)**	0.1	-	**0.1**	-	-	**-**	NM
Reported NPAT	**(0.8)**	**(1.7)**	**(2.5)**	**1.0**	**(1.3)**	**(0.3)**	**(0.8)**	**(2.6)**	**(3.4)**	**(16.0)**	**(3.5)**	**(19.5)**	**Large**

1. Management view excludes the life investments contracts (that is, unit linked business) and reflects fees earned by the shareholder less expenses incurred. Inter-segment revenues/expenses are not eliminated in the management view.
2. % change represents the movement from FY23 to FY24.
3. 2H FY24 is reflected post the sale of the investment management business to Human Financial that completed on 31 January 2024.

ClearView

Balance Sheet, Embedded Value at 30 June 2024

Balance sheet as at 30 June 2024 (AASB 17)

Consolidated Balance Sheet (shareholder view)[1]	30 Jun 2024	30 Jun 2023
		Restated
Assets		
Cash and cash equivalent	101.3	116.9
Investments	422.3	393.7
Investments in associate	0.0	13.4
Receivables	31.4	22.4
Assets held for sale[6]	0.0	6.7
Deferred tax asset	48.9	46.7
Property, plant & equipment	0.7	0.6
Right of use asset	4.9	7.8
Goodwill	4.0	12.5
Intangibles	31.7	27.0
Total assets	**645.2**	**647.7**
Liabilities		
Payables	10.6	20.3
Current tax liability	6.0	17.6
Lease liability	5.6	8.6
Provisions	5.4	7.8
Life insurance[3]	157.8	109.2
Borrowings[4]	31.0	16.0
Subordinated debt[5]	74.5	74.2
Deferred tax liabilities	1.1	0.6
Total liabilities	**292.0**	**254.3**
Net assets	**353.2**	**393.4**

Commentary[2]

Net Asset and Capital Position

- Net assets of $353.2m, post $9.9m HY24 interim cash dividend and FY23 final cash dividend of $19.8m
- Stated after AASB 17 Opening Balance Sheet net of tax adjustment of $83.6m
- Surplus capital above internal benchmarks of $27.1m[7]

Cash, debt and investments

- Net cash and investments position of $418.1m
  - Cash and cash equivalents of $101.3m
  - $422.3m invested in PIMCO income securities portfolio
  - $31m drawn down under $60m debt facility
  - $74.5m Tier 2 subordinated debt
- Proceeds from sale of interest in Centrepoint Alliance in November 2023 ($15.2m)

Goodwill and intangibles

- Goodwill of $4m supported by life insurance CGU. Wealth management goodwill of $8.5m impaired in FY24
- Intangibles of $31.7m relates to capitalised software costs associated with life insurance systems development – wealth management software costs of $2.9m impaired in FY24

Life Insurance contract liability

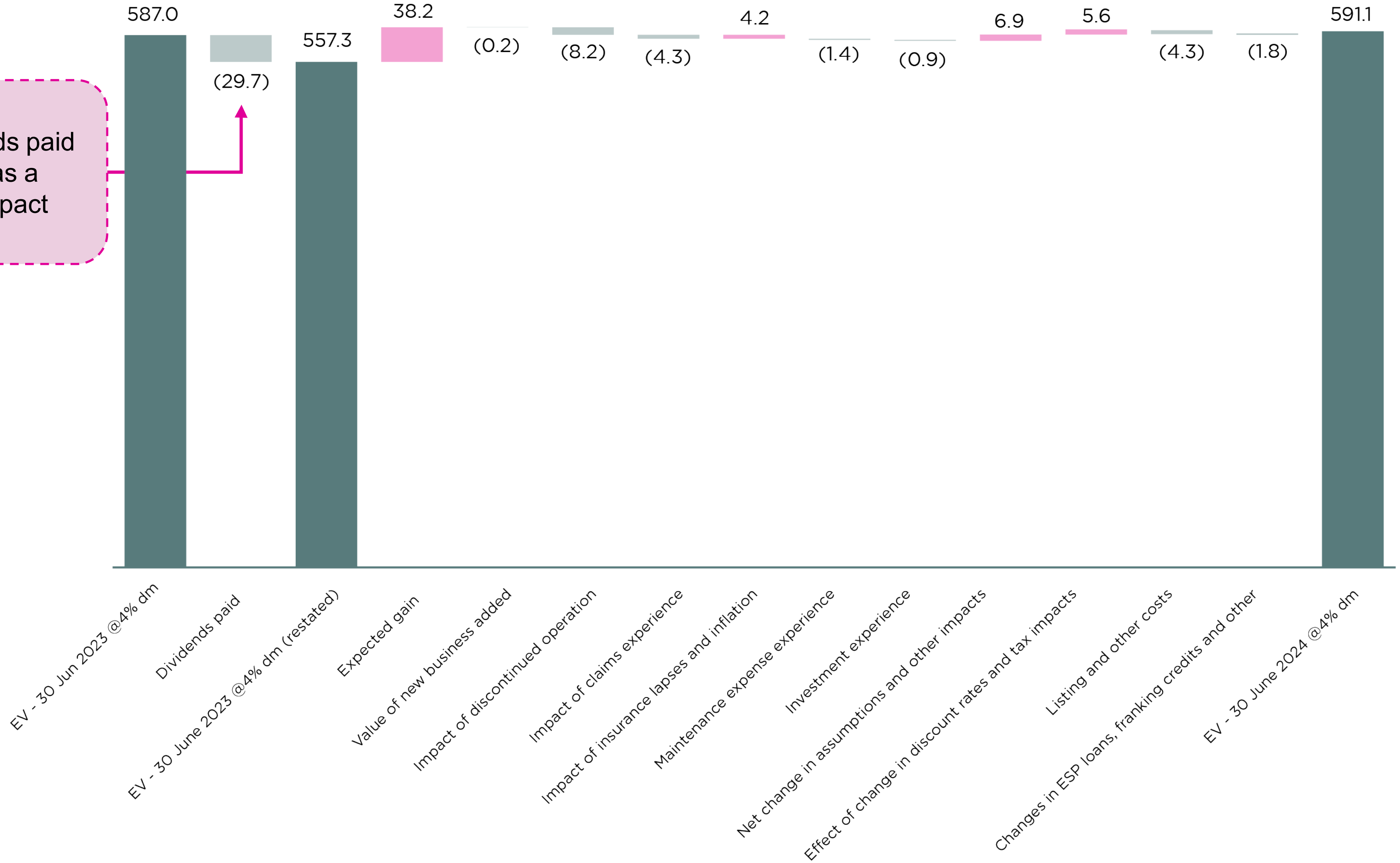
- Life Insurance contract liability reflects (re)insurance contract liabilities net of (re)insurance contract assets in accordance with AASB 17

1. Management view excludes the life investment contracts (that is,unit linked business).
2. As at 30 June 2024 unless otherwise stated
3. Life Insurance liability reflects (re)insurance contract liabilities net of (re)insurance contract assets in accordance with AASB 17.
4. ClearView has access to a $60m debt funding facility, $31m drawn at 30 June 2024.
5. ClearView raised $75m (net of $0.5m of costs) of Tier 2 capital in November 2020.
6. Assets held for sale represent net assets of CFML, net of costs to sell at 30 June 2023. CFML sale completed on 31 January 2024.
7. Net capital position of $27.1m as at 30 June 2024. Stated after payment of cash dividends in FY24 (-$29.7m) but prior to final FY24 dividend. Stated after capital release from the wealth management exit ($5.9m) and capital benefit from sale of shares in Centrepoint Alliance in November 2023 ($5.2m). Includes benefits from review of target capital and related items (+$20.3m)

Embedded Value movement analysis

Embedded Value[1] Waterfall: FY23 - FY24 ($M)

Cash dividends paid in FY24 has a -$29.7m impact



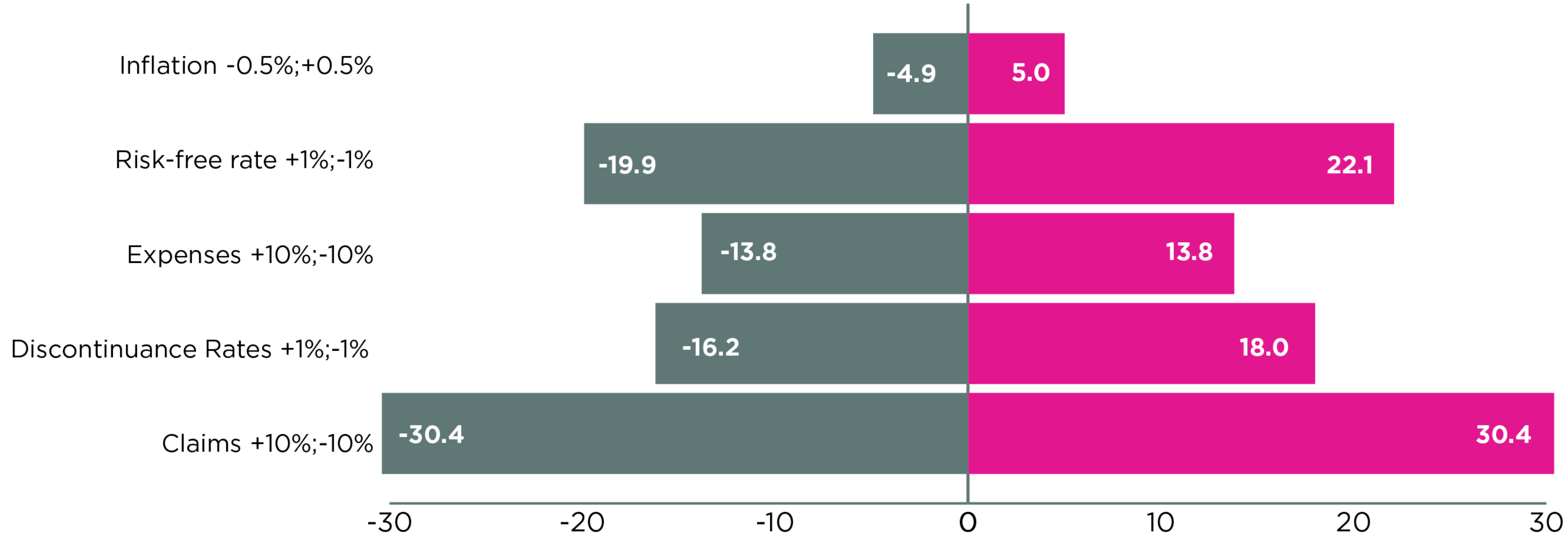
1. Embedded Value at 4% discount rate margin, including a value for future franking credits, accrued franking credits and Employee Share Plan (ESP) loans. Risk free rate of 4% adopted in FY24 (FY23: 4%)

EV movement analysis @ 4% DM by segment at 30 June 2024

MOVEMENT ANALYSIS @ 4% dm	Life	Wealth	Other	Total
EV - 30 June 2023 @ 4% dm (As Published) incl. Franking Credits and ESP Loans	**558.6**	**17.0**	**11.4**	**587.0**
Dividends paid	-	-	(29.7)	(29.7)
Capital transfers	(3.0)	(2.9)	5.9	-
EV - 30 June 2023 @ 4% dm (restated)	**555.6**	**14.1**	**(12.4)**	**557.3**
Movements to June 2024				
Expected Gain	38.2	-	-	38.2
Value of new business added	(0.2)	-	-	(0.2)
Impact of discontinued operation	-	(11.0)	2.8	(8.2)
Impact of claims experience	(4.3)	-	-	(4.3)
Impact of insurance lapses and inflation	4.2	-	-	4.2
Maintenance expense experience	(1.4)	-	-	(1.4)
Investment experience	3.0	-	(3.9)	(0.9)
Net change in assumptions and other impacts	6.9	-	-	6.9
Effect of change in discount rates and tax impacts	5.6	-	-	5.6
Changes in ESP loans, franking credits and other	3.2	-	(5.0)	(1.8)
Listing and other costs	(2.8)	-	(1.5)	(4.3)
EV - 30 June 2024 @ 4% dm (incl. Franking Credits and ESP Loans)	**608.1**	**3.1**	**(20.1)**	**591.1**

EV sensitivity analysis @4% DM[1]

EV Sensitivity Analysis - Life @ 4% dm ($mil)



1. Does not include the impact of management actions in response to sensitivities (for example, premium rate changes), or reinsurer response to sensitivities (for example, reinsurer rate changes). "dm" represents the discount rate risk margin which refers to the margin above the assumed long-term risk free rate. The long-term risk free rate adopted for the FY24 EV is 4% (FY23: 4%).

ClearView

AASB 17 Implementation

No change to underlying business economics

What is NOT changing

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

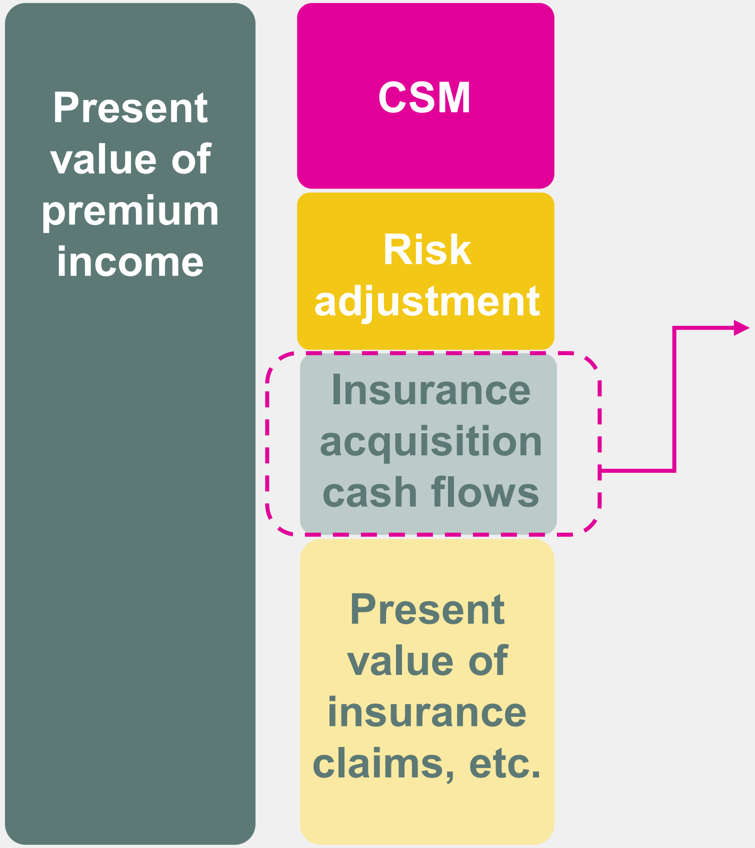
Differences

- Accounting for groups of insurance contracts rather than related product groups within insurance entities
- **Time and pattern of profit release changes for stepped premium contracts but overall profitability remains the same over the life of the insurance contract –** results in changes to timing of tax payments
- Stepped premium contracts treated as a short-term contract boundary, that is, a one-year contract with profit emergence now following cash flow profile – **material impact on timing of release of profit for stepped premium business** (circa 79% of in-force portfolio)
- Due to short-term contract boundary, an asset for insurance acquisition cash flows (AIACF) is recognized that is related to future renewals - impairment testing may lead to material reported profit impacts
- Insurance contracts and reinsurance contracts valued, reported and disclosed separately – **leads to a mismatch on profit pattern release for stepped premium contracts** (short term vs long term)
- Explicit risk allowance, 'risk adjustment for non-financial risk' included in the valuation of the (re)insurance contracts
- Granular level of aggregation of contracts – separation of level premium contracts removes cross subsidies that previously existed between products
- Presentation and disclosure with material changes in statutory accounts

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

Asset for insurance acquisition cash flows (AIACF)

ClearView's underlying (gross) yearly renewable term (YRT) stepped premium business contract boundary is materially shortened from a long-term, natural expiry contract boundary under AASB 1038 to a 12-month contract boundary under AASB 17. This applies to both the lump sum and disability income business and reflects the policyholder renewal and repricing cycle.



Due to a shorter contract boundary for YRT ClearView recognises directly attributable insurance acquisition costs over longer term by establishing an asset for insurance acquisition cash flows (AIACF) related to future renewals of YRT business:

- Explicit asset for AIACF created on Balance Sheet for stepped premium business – the AIACF is held for directly attributable expenses related to acquisition and underwriting of new business
- Premiums that are collected over life of the contract include an allowance for the recoverability of these acquisition costs
- AIACF is amortised based on present value of premiums and written off over life of a stepped premium contract
- The onerous contract (and related impairment) testing is more granular under AASB 17 and as such impairment (over and above the amortisation) may lead to material reported profit impacts, although there is no change in the annual cash flows of a policy and the AIACF is expected to be recoverable from cash flows at a portfolio level (subject to lapse risk)
- As such the AIACF impairment reflects a (brought forward) timing difference in write off of the AIACF and changes the pattern and timing of reported profit release over life of a policy
- The non-cash impairment is therefore separately removed from Underlying NPAT given that cash flow collection and recoverability on the portfolio as a whole remains unchanged and reflects a timing in release of profit. The Underlying NPAT is adjusted to ensure the AIACF that is amortised does not reflect any impairments post the transition date of 1 July 2022

AASB 17 Glossary

Contractual Service Margin (CSM)	A liability which is established at the outset of a contract to offset new business profits at issue. The CSM liability is gradually amortised as services are provided.
Fulfilment cash flows (FCF)	An explicit, unbiased, and probability weighted estimate (i.e. expected value) of the present value of the future cash flows that will arise as the insurer fulfils its insurance contract obligations, including a risk adjustment for non-financial risk.
General Measurement Model (GMM)	Under IFRS 17, an insurance contract is measured under one of three measurement models. The General Measurement Model (GMM) is the 'default' model, which applies to insurance contracts with limited, or no pass-through of investment risks to policyholders.
Insurance contract	A contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.
Insurance risk	Risk, other than financial risk, transferred from the holder of a contract to the issuer.
Insurance service result	Reflects profit earned from providing insurance coverage and includes the release of the risk adjustment and CSM as well as insurance related experience variances.
Initial recognition	Refers to the accounting of a contract at its outset.
Loss Component	For contracts which have a loss at issue, a loss is recognized in earnings, and a loss component (a notional amount) is established. The loss component must be tracked over time and disclosed. Furthermore, the loss component impacts the presentation in the Income Statement.
Net investment result	Investment income from managing financial assets; less the effects of discount rates and other financial variables on the value of insurance obligations.
Onerous contracts	An insurance contract is onerous at the date of initial recognition if the fulfilment cash flows allocated to the contract and premiums, acquisition expenses and commissions arising from the contract at the date of initial recognition, in total are a net outflow (i.e. if there is a loss at initial recognition).
Portfolio of insurance contracts	Insurance contracts subject to similar risks and managed together.
Premium Allocation Approach (PAA)	Under IFRS 17, an insurance contract is measured under one of three measurement models. PAA is a simplification which can be applied to short-term contracts, or contracts where PAA produces similar results to a FCF plus CSM measurement.
Risk adjustment for non-financial risk	The compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the entity fulfils insurance contracts.

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