Condensed consolidated interim financial report

31 December 2023

Insignia Financial Ltd

ABN 49 100 103 722

Table of Contents

Directors' Report

Operating and financial review

About Insignia Financial Ltd

Insignia Financial Ltd is listed on the Australian Securities Exchange (ASX: IFL). The Insignia Financial Ltd consolidated group includes the Company and its controlled entities (the Group or Insignia Financial).

Insignia Financial has been helping Australians secure their financial future since 1846. During that time, Insignia Financial has grown substantially to become one of the largest groups in the financial services industry.

Purpose

Insignia Financial's purpose is to:

- understand me;
- look after me; and
- secure my future.

Insignia Financial's ambition is to create financial wellbeing for every Australian.

Insignia Financial intends to achieve this through

- delivering what matters to clients;
- continuing to promote a client-led culture; and
- building a better tomorrow for the community and shareholders.

Principal activities

The principal activities of the Group are:

- **Platforms:** Offering a wide range of financial services solutions on superannuation and investments to clients including investors, members, employers and advisers.
- **Advice:** Providing quality financial advice that is accessible, affordable and engaging for Australians; helping clients navigate their way through a range of financial products and services and educating clients to improve their financial wellbeing.
- **Asset Management:** Delivering strong and consistent returns to clients with access to world-leading investment managers across a broad range of highly rated single and multi-manager capabilities and other attractive investment opportunities.

A client-led organisation

Insignia Financial is a leading provider of quality financial advice, solutions and services with $300.6b in funds under management and administration (FUMA) as at 31 December 2023. Insignia Financial's ambition is to create financial wellbeing for every Australian, which is founded upon its purpose of 'understand me, look after me, secure my future' and its client-led thinking, principles and ways of working whereby Insignia Financial places clients at the centre of everything it does.

As a client-led organisation, Insignia Financial believes that success only emanates from caring about people, providing outstanding service and delivering consistent performance and further, that by exceeding the expectations of its clients, Insignia Financial can build an enduring and trusted institution that is capable of creating wealth for shareholders on an ongoing basis. Accordingly, Insignia Financial views client value creation and shareholder wealth creation as joint and mutually reinforcing objectives. By acting in our clients' best interests and improving outcomes for clients, Insignia Financial can reward shareholders for their investment.

Insignia Financial's commitment to improving client outcomes is underpinned by:

- an ability to leverage our scale and manage ongoing operational efficiency to allow for continued investment in new products and services;
- ownership of multiple elements of the wealth value chain to efficiently and seamlessly deliver the needs of clients, from early accumulation through to drawdown in retirement;
- providing advice, in the appropriate form and at the appropriate juncture, to help Australians achieve their financial wellbeing and retirement objectives;
- a contemporary, flexible and competitive suite of product offerings supported by choice to efficiently address clients' evolving needs over their lifetime;
- a differentiated service focusing on 'what matters' to clients;
- consistent and sustainable investment performance;

Directors' Report
Operating and financial review

A client-led organisation (continued)

- creating trust with its stakeholders through effective governance, compliance and risk management frameworks and a commitment to integrating environmental, social and governance factors into strategic and investment decisions and operational processes; and
- an open architecture approach which actively promotes and supports not only the Group's products but also those products offered by competitors. The Group partners with other experts to provide the best solution for clients.

Clients' financial needs and priorities form the basis of the strategic initiatives which Insignia Financial undertakes to secure clients' financial futures and achieve financial wellbeing for every Australian.

Insignia Financial's pursuit of its ambition is underpinned by a strong balance sheet and a commitment to deliver further growth and synergies in its operating segments. Insignia Financial will continue to provide quarterly business performance updates and reporting in relation to its progress of executing its strategic initiatives.

FY24-26 strategy

As communicated in its FY23 results, Insignia Financial's refreshed strategy focuses on the following four strategic pillars from FY24 onwards:

- Improving our clients' financial wellbeing;
- Deepening our partnerships with advisers and employers;
- Simplifying our business; and
- Building a safe and trusted business together.

Underpinning Insignia Financial's intent is a unique set of diversified business capabilities allowing it to create specific combinations of advice, platform and asset management offerings to deliver more affordable and accessible financial outcomes for clients across a spectrum of needs. The refreshed strategic pillars will create focus, clarity and prioritisation for the Group and enable Insignia Financial to harness its unique competitive advantages to create financial wellbeing for every Australian.

Directors' Report

Operating and financial review

FY24-26 strategic initiatives

Client's financial wellbeing

During 1H24, Insignia Financial created a new division, Client Wellbeing, to support its strategic focus of 'Improving our clients' financial wellbeing', led by a new executive role of Chief Client Officer (Chris Weldon), which reports directly to the Chief Executive Officer (CEO). Chris' most recent position was Chief Transformation Officer. Chris retains responsibility for the MLC separation program while the other transformation capabilities have been embedded into other parts of the organisation.

The Client Wellbeing division is responsible for creating more value for clients through the Group's interactions and in turn, improving the growth prospects of the Group's products and services, including financial advice. As one of Australia's leading providers of quality financial advice, products and services, the Group has a strong foundation to create better outcomes to more of its clients through financial help, guidance and advice through all stages of life. The Client Wellbeing division has joined together those existing teams who currently engage with or play a significant role in the experience created for the Group's clients, including:

- Professional Services Advice teams – Shadforth and Bridges;
- Advice Enablement Services team;
- Consumer and Commercial Marketing teams; and
- Member Engagement and Wellbeing team.

It is important to acknowledge there are many more parts of the business that contribute to clients' financial wellbeing every day and it will be the connection and collaboration between those parts which will help the Group deliver on its refreshed strategy.

Adviser and employer partnerships

During 1H24, the Group continued its focus on deepening its partnerships with advisers and employers through continued investment in its proprietary Wrap platform 'Evolve', stabilisation and growth in Workplace and the strong investment performance of Asset Management capabilities. Highlights of the period include:

- Completion of the Wholesale Trust Strategy harmonisation project across the Group's 65 core multi-manager funds and the roll out of changes on Wrap platforms, websites and tools, including rebranding to MLC;
- MLC Super Fund won best advice offering for 2023 (Super Ratings);
- IOOF/MLC Asset Management won best multi asset provider for 2023 (Zenith);
- MLC MultiSeries Funds upgraded to Highly Recommended (Zenith); and
- MLC Managed Accounts awarded 4.5 stars (SQM), the highest rating for multi-asset Managed Accounts to date.

Simplification

Separation of the MLC business

The separation of the MLC Wealth (MLC) business from National Australia Bank Limited (NAB) is expected to be completed in FY25. NAB continues to support the MLC business through a Transitional Services Agreement (NAB TSA) until separation.

During 1H24, Insignia Financial completed the following separation activities:

- Completion of the design for the re-platforming of all the Master Trust ecosystem components to transition from the NAB environment to the Insignia Financial environment prior to 31 May 2025;
- Finalisation of the solutions to replace the enterprise capabilities currently provided by NAB through the NAB TSA;
- Finalisation of the treatment plans for the technology tools currently being used within the NAB environment to support Master Trust in relation to development operations, testing, monitoring, alerting, system logging and access management;
- Completion of the master implementation schedule which covers all the delivery tasks and phasing needed to support cutover, including the development of an implementation sequence that supports the phased transition of the application components alongside the key dependencies between implementation streams;
- Finalisation of an Exit and Decommission Plan which covers all the activities that support the transition and deactivation of the environments hosted by NAB; and

Directors' Report

Operating and financial review

FY24-26 strategic initiatives (continued)

Simplification (continued)

Separation of the MLC business (continued)

- Transition of MLC employees within a number of divisions from the NAB environment to Insignia Financial's environment.

As at 31 December 2023, Insignia Financial had exited approximately 55% of the service schedules underpinning the NAB TSA.

Simplification across products, platforms, investments and entities

Insignia Financial's current platform simplification activities are focused on the transition of MLC Wrap products and services to the Expand suite of products on the Evolve platform. This Wrap transition is expected to be completed by early April 2024 and will enable the migration of almost $38 billion of funds under administration (FUA) across around 96,000 client accounts and reduce the number of platforms supporting the MLC business from three to two, including Compass.

In anticipation of the transition of the MLC Wrap products and as part of its ongoing commitment to create a superior user experience and efficiencies for advisers and their clients, Insignia Financial further enhanced its Evolve platform during 1H24.
Those enhancements include:

- improved adviser navigation and new communication channels for messaging;
- customisable user permissions including transacting authority;
- real-time, dynamic tax estimation for proposed trades; and
- enhancements to adviser and client reporting.

Further improvements to the Evolve platform are planned prior to the MLC Wrap migration, including expansion of the managed account offering, with both value and premium options.

Other simplification activities completed in 1H24 include the following:

- Completion of the trade-up of certain P&I legacy products involving around $4.6 billion of funds under management (FUM) and leading to around 45,000 members having the benefits associated with more contemporary products;
- Completion of the successor fund transfer of Symetry, the trustee of which was an external party, to Rhythm, the trustee of which is a Group entity, involving around $1.8 billion of FUA and leading to around 1,500 members having access to Group insurance arrangements;
- Completion of the first phase of simplification of the Responsible Entities within the Group, whereby 15 funds previously issued by Antares Capital Partners Ltd (ACP) and Navigator Australia Limited (NAL) were consolidated under MLC Investments Limited (MLCI) as the go forward Responsible Entity;
- Completion of the sale of the Group's friendly society investment bond business to Australian Unity Limited (AUL) through the divestment of IOOF Limited (IL). The proceeds of $36 million from the sale have been used to reduce debt. An additional contingent amount of up to $4 million is payable in 12 months, subject to the transition of clients and FUM to AUL. As communicated in July 2023, the investment bond business was considered adjacent to Insignia Financial's core strategic priorities and the sale provided improved business focus and clarity, whilst IL's policy holders benefited from joining the AUL Group which is committed to growing and investing in the investment bond sector over the long term;
- Rhombus Advisory (previously Advice Services Co) was launched as the identity for the new partnership model for the self-employed licensees comprising RI Advice Group Pty Ltd, Consultum Financial Advisers Pty Ltd and TenFifty. 'Rhombus' signifies the deep commitment to client centricity, where every action and strategy stems from a core focus on the best interests of clients, and partnership through a model that aligns the strategic interests of all stakeholders; and
- Insignia Financial completed the sale of Milennium3 Financial Services Pty Ltd (M3) to WT Financial Group Limited (WTL). The proceeds of $2 million from the sale have been used to reduce debt.

Directors' Report

Operating and financial review

FY24-26 strategic initiatives (continued)

Simplification (continued)

Cost Optimisation Program

In July 2023, Insignia Financial announced:

- a cost optimisation program to deliver a total of \$175-190 million[1] benefits per annum by the end of FY26 from further organisational design efficiencies, Wrap simplification, exit of the NAB TSA, the Master trust platform strategy and the restructure of Advice; and
- the net investment of \$260-285 million to fund the FY24-26 initiatives will be funded from existing cash and facilities and \$150-\$160 million of investment spend is expected to be incurred in FY24.

The program is on track to deliver FY24 targets in accordance with plan.

Safe and trusted business

Insignia Financial is committed to the highest level of governance. Good corporate governance is the foundation for how Insignia Financial conducts its business activities and manages clients' and members' money in their best interests. Insignia Financial strives to foster a culture that values and rewards exemplary ethical standards, personal and corporate integrity and respect for others, and this approach is cascaded down from the Insignia Financial Board and the Boards of the entities within the Group to the broader organisation.

In recent years, Insignia Financial has completed a number of programs to improve Insignia Financial's governance culture and operational effectiveness as well as the capability and efficiency of Board support functions. This included the standardisation and uplift of Board and Committee foundation documents, frameworks and processes across key entities. Insignia Financial is committed to further strengthening its governance framework and culture, and operational effectiveness.

Key activities to be undertaken over FY24 to FY26 include:

- Size, composition and effectiveness review of the Boards of the Registrable Superannuation Entity Licensees (RSELs) within the Group and their delegations to the Member Office;
- Continued Member Office oversight and monitoring of service providers;
- Redesign of the RSEL risk appetite statement, establishment of a dedicated superannuation risk management team and uplift of risk reporting and redesign of the risk and compliance management framework;
- Enterprise delivery governance effectiveness review and project assurance;
- Operational resilience and contingency planning;
- Review of the regulator engagement model; and
- Review of the group remuneration framework and consequence management.

[1] Total cost savings target includes those related to the MLC Wrap transition and Advice break-even which have previously been announced.

Directors' Report

Operating and financial review

Environmental, social and governance

At Insignia Financial, we understand that driving better environmental, social and governance (ESG) practices not only delivers better outcomes for the planet and community, but strengthens the sustainability of our business, enabling us to continue to deliver on our ambition to create financial wellbeing for all Australians. Embedding ESG factors into decision making across our business is critical for us to deliver sustainable long-term growth for the benefit of our clients and stakeholders.

The Group has completed calculations of its scope 1, 2 & 3 operational emissions for financial year 2023, has offset residual emissions through carbon credits and applied for Climate Active accreditation. Our focus now is to use our emissions baselines and set science-based reduction targets.

In October 2023, the Group published its second climate risk report in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) reporting framework. In this report, the Group's full suite of diversified multi-manager investment trusts were included for the assessment. Insignia Financial has developed a framework to assess the financial impact of climate change on expected returns for its range of diversified investment portfolios.

The Group's boutique funds management business, Antares, is a signatory to the Principles of Responsible Investment (PRI). The Group is currently considering the pathways to have other key brands in the Group to become a signatory of PRI in 2024.

We continue to build on our engagement with First Nations people. We have completed over 60% of the actions agreed with Reconciliation Australia as part of our reconciliation action plan.

We are committed to being a workplace where all our people can feel safe and included. In July 2023 we achieved Australian Workplace Equality Index Bronze Tier status, which formally recognises Insignia Financials' commitment to Australian LGBTQIA+ inclusion, equality, and equity.

Sustainability standards

The Australian Accounting Standards Board has released Exposure Draft ED SR1 *Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information* to propose climate-related financial disclosure requirements. The Australian Government has released draft legislation on climate-related financial disclosures that support the adoption of proposed sustainability standards, to be phased in over the next 4 years.

Based on the current draft legislation, Insignia Financial will be required to meet these standards for the annual reporting period ending 30 June 2025. The Group has established a program of work to consider the impacts of the new standards and create an implementation plan in readiness to meet these new standards within the required timeframe.

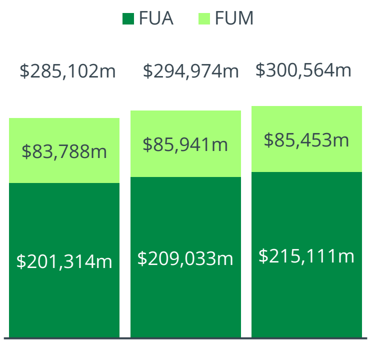
Directors' Report

Operating and financial review

Financial highlights

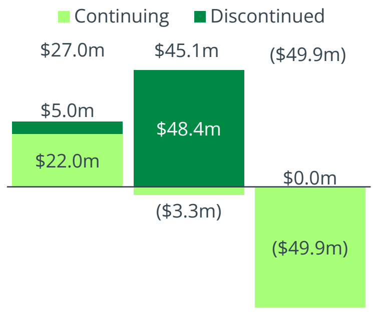
Closing funds under management and administration

Increase driven by market performance



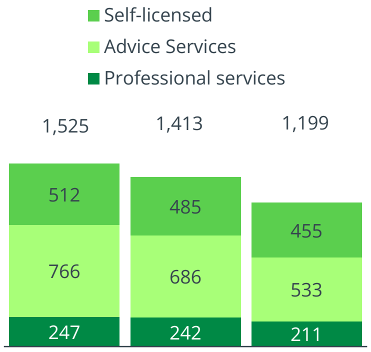
Net profit after tax (NPAT)

Higher transformation costs in 1H24 (FY24 estimated peak). 1H23 included gain from AET sale



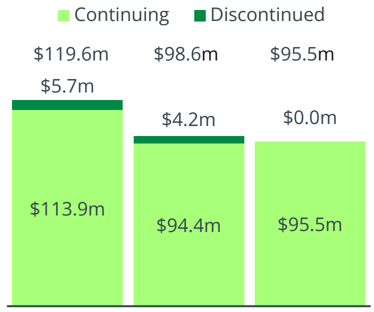
Number of advisers

Reduction primarily due to the sale of Millennium3 business in the Advice Services channel



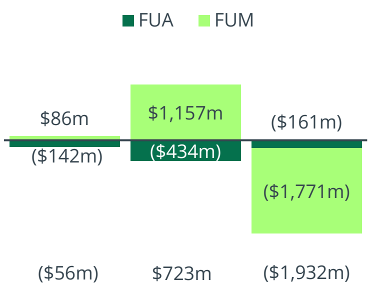
Underlying net profit after tax (UNPAT)

Market-driven revenue growth from 1H23, partially offset by asset disposals



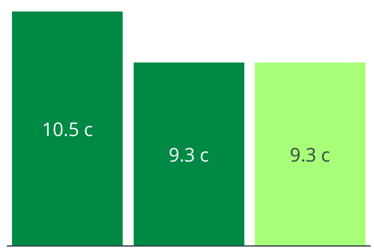
Net flows from continuing operations[2]

Outflows in FUM, partially offset by inflows in Workplace and advised FUA



Dividends (cents per share)

Dividend underpinned by earnings



[2] JANA net flows excluded during 1H23.

Directors' Report

Operating and financial review

Financial performance

Net profit after tax

NPAT for the half year ended 31 December 2023 was $49.9m loss (half year ended 31 December 2022: $45.1m profit). The decrease in NPAT is mainly driven by higher transformation and separation costs, discontinued operations in 1H23 and higher remediation costs, partially offset by fair value gains on financial instruments.

Underlying net profit after tax

UNPAT is a non-International Financial Reporting Standards (IFRS) metric that is used by management to monitor the performance of the Group. In calculating UNPAT, the Group reverses the impact on profit of certain, predominantly non-recurring items, to enable a better understanding of its underlying operational result. It is the UNPAT result that will be analysed in detail in this section of the Directors' Report. This includes both continuing and discontinued operations.

UNPAT for the half year ended 31 December 2023 was $95.5m (half year ended 31 December 2022: $98.6m), a decrease of $3.1m driven by the inclusion of $4.2m from discontinued operations in the half year ended 31 December 2022.

Funds under management and administration

As at	31 Dec 23	30 Jun 23
	$m	$m
Funds under administration (FUA)	215,111	209,033
Funds under management (FUM)	85,453	85,941
FUMA	300,564	294,974

The growth in FUMA was driven by $9,320m market movement, partially offset by $1,932m net outflows and $1,798m of pension payments.

Advice

At 31 December 2023, there were 1,199 advisers in the Insignia Financial network (30 June 2023: 1,413). The reduction in adviser numbers is primarily in the Advice Services channel as a result of the sale of the Millennium3 business.

Reconciliation of UNPAT to NPAT

For the six months ended	31 Dec 23	31 Dec 22
	$m	$m
(Loss)/profit for the period	**(49.9)**	**45.1**
Less: profit from discontinued operations	-	(48.4)
Loss from continuing operations	**(49.9)**	**(3.3)**
UNPAT adjustments relating to continuing operations		
Transformation and separation costs	111.7	66.3
Amortisation of intangible assets	40.0	40.8
Remediation costs	64.5	17.9
Fair value changes	(12.6)	10.2
Income tax attributable	(58.2)	(37.5)
Total UNPAT adjustments	**145.4**	**97.7**
UNPAT from continuing operations	**95.5**	**94.4**
UNPAT from discontinued operations	-	4.2
UNPAT	95.5	98.6

Transformation and separation costs: Expenses associated with platform simplification, separation of the MLC and ANZ P&I businesses, MLC Wrap migration and the transition to the Advice Services partnership model. These expenses include external activities, project labour costs, redundancy and termination costs, information technology and other consultancy fees, and outsourced hosting services directly related to these activities.

Amortisation of intangible assets: Amortisation of acquired intangible assets over their useful lives. This excludes amortisation of internally developed software.

Remediation costs: Expenses recognised in the Group's structured remediation provisions including client compensation and associated costs. It includes any related indemnities recovered.

Fair value changes: Includes (gains)/losses from fair value movements on financial instruments.

Income tax attributable: Income taxes on UNPAT adjusted items.

Discontinued operations: Results of the AET business and the gain recognised on AET divestment.

Directors' Report

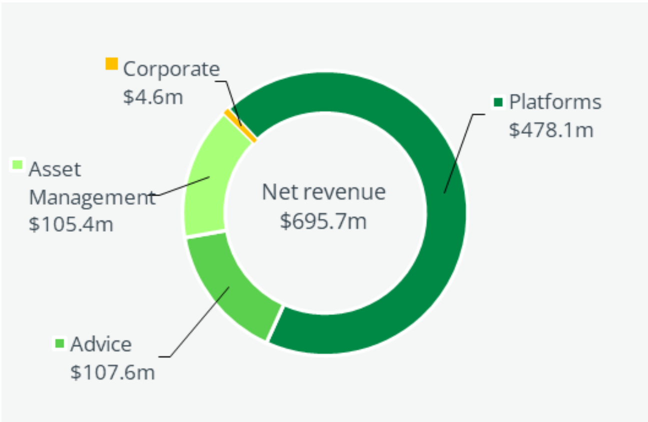
Operating and financial review

Financial performance (continued)

Key financial results

For the six months ended	31 Dec 23 1H24	30 Jun 23 2H23	31 Dec 22 1H23	Movement 1H24 vs 2H23	Movement 1H24 vs 1H23
	$m	$m	$m	%	%
Net revenue	695.7	688.4	691.3	1.1%	0.6%
Operating expenses	(518.1)	(518.0)	(517.7)	(0.0%)	(0.1%)
Net financing costs	(14.7)	(13.9)	(18.3)	(5.8%)	19.7%
Net non-cash items	(23.7)	(25.8)	(25.5)	8.1%	7.1%
Income tax expense	(43.7)	(34.6)	(35.4)	(26.3%)	(23.4%)
Non-controlling interests	-	0.2	-	(100.0%)	- %
UNPAT from continuing operations	**95.5**	**96.3**	**94.4**	**(0.8%)**	**1.2%**
UNPAT adjustments	(145.4)	(88.6)	(97.7)	64.1%	48.8%
Non-controlling interests	-	(0.2)	-	(100.0%)	- %
(Loss)/Profit from continuing operations	**(49.9)**	**7.5**	**(3.3)**	**Large**	**Large**

Net revenue



Net revenue in 1H24 was $7.3m higher than 2H23 and $4.4m higher than 1H23 driven by higher average FUMA and lower direct costs.

Operating expenses

1H24 operating expenses were flat with 2H23 operating expenses.

1H24 operating expenses were $0.4m higher than 1H23 primarily due to higher information technology costs, offset by lower employee expenses and marketing expenses.

Net financing costs

The 1H24 net financing costs was $0.8m unfavourable in comparison with 2H23 due to the higher market interest rates in 1H24.

The 1H24 net financing costs is $3.6m more favourable than 1H23 driven by higher interest income earned from bank deposits, offset by higher interest expenses on borrowings due to higher market interest rates.

Net non-cash items

The 1H24 net non-cash items expenses are $2.1m lower than 2H23 and $1.8m lower than 1H23 driven by the reduction in amortisation and depreciation expenses.

UNPAT adjustments

The 1H24 UNPAT adjustments are $56.8m higher than 2H23 driven by the increase in transformation and remediation expenses.

The 1H24 UNPAT adjustments are $47.7m higher than 1H23 driven by the increase in transformation and remediation expenses, partially offset by fair value gains.

Directors' Report

Operating and financial review

Financial performance (continued)

Shareholder returns

The Group's dividend is determined based on financial performance and the Group seeks to optimise returns to shareholders while continuing to invest in the transformation of the business and to fund remediation costs. The Board has therefore determined that a pay-out ratio range of 60% to 90% of UNPAT is generally appropriate, but not binding, in relation to ordinary dividends.

Total Shareholder Return (TSR) measures the change in share value over a specified period together with the return by way of dividends received.

The Group's TSR in the 5-year period from 1 January 2019 was (31.1%) in total and (7.2%) on a compounding annualised basis.

The TSR for the 12 months to 31 December 2023 was (24.6%) with a share price decrease of 30.1% offset by a dividend yield on the opening share price of 5.5%.

	31 Dec 23	31 Dec 22	% change
(Loss)/profit attributable to the shareholders of Insignia Financial Ltd ($m)	(49.9)	45.2	Large
(Loss)/profit from continuing operations ($m)	(49.9)	(3.3)	Large
Basic EPS (cents per share)	(7.5)	6.9	Large
Diluted EPS (cents per share)	(7.5)	6.9	Large
Basic EPS (continuing operations) (cents per share)	(7.5)	(0.5)	Large
UNPAT ($m)	95.5	98.6	(3.1%)
UNPAT EPS (cents per share)	14.4	15.0	(4.0%)
UNPAT EPS (continuing operations) (cents per share)	14.4	14.4	- %
Dividends declared ($m)[1]	62.0	69.1	(10.3%)
Dividends per share (cents per share)[1]	9.3	10.5	(11.4%)
Opening share price	$2.82	$2.69	4.8%
Closing share price	$2.34	$3.35	(30.1%)
NPAT return on equity (statutory measure, annualised)[2]	(4.38%)	3.77%	Large
UNPAT return on equity (non-statutory measure, annualised)[2]	8.38%	8.23%	1.8%

[1] Dividends declared and dividends per share are those paid or declared from the relevant financial period's profits.

[2] Return on equity is calculated by dividing profit or loss and UNPAT attributable to the shareholders of Insignia Financial Ltd by the average equity attributable to the shareholders on an annualised basis.

Directors' Report

Operating and financial review

Financial performance (continued)

Financial position

	Dec 23 $m	Jun 23 $m	Change %
Assets			
Financial assets including cash	1,019.5	1,056.6	(3.5%)
Assets classified as held for sale	2.2	1,148.0	(99.8%)
Other assets	177.7	150.8	17.8%
Property and equipment	124.3	146.0	(14.9%)
Intangible assets	2,462.1	2,503.4	(1.6%)
Total assets	**3,785.8**	**5,004.8**	**(24.4%)**
Liabilities			
Financial liabilities	194.1	215.9	(10.1%)
Liabilities associated with assets classified as held for sale	0.4	1,105.4	(100.0%)
Provisions	291.8	365.2	(20.1%)
Lease liabilities	145.1	161.8	(10.3%)
Borrowings	862.4	775.6	11.2%
Net deferred tax liabilities	62.2	51.1	21.7%
Total liabilities	**1,556.0**	**2,675.0**	**(41.8%)**
Net assets	**2,229.8**	**2,329.8**	**(4.3%)**
Number of ordinary shares (million)	666.6	662.6	0.6%
Net assets per ordinary share ($ per share)	**3.35**	**3.52**	**(4.9%)**

Financial assets including cash decreased $37.1m driven by $57.3m lower cash position, partially offset by $15.0m increase in other financial assets and $5.2m increase in receivables.

Other assets increased by $26.9m primarily driven by the $19.0m increase in current tax receivable and $6.3m increase in prepayments.

Assets and liabilities classified as held for sale have decreased by $1,145.8m and $1,105.0m respectively due to the completion of the IOOF Ltd divestment during the period.

Property and equipment decreased by $21.7m which was driven by $22.3m depreciation expense and $0.2m held for sale reclassification, partially offset by $0.8m additions.

Intangible assets decreased by $41.3m due to amortisation expenses.

Financial liabilities decreased by $21.8m due to the $16.0m reduction in payables and $5.8m reduction in derivative liabilities.

Provisions decreased by $73.4m driven by $89.2m remediation payments and program costs, $47.9m net decrease in employee entitlement provisions and $8.9m decrease in other provisions. This was partially offset by a net increase in remediation provisions of $72.6m.

Lease liabilities decreased $16.7m primarily due to lease payments made during the period.

Borrowings have increased by $86.8m due to $23.1m accrued interest and $121.0m drawdowns, partially offset by net $57.3m principal and interest repayments.

Net deferred tax liabilities have increased $11.1m due to decreases in deferred tax assets in line with a decline in provision balances.

Directors' Report

Operating and financial review

Capital and liquidity management

Capital and liquidity positions are assessed on a monthly basis to ensure license requirements and lending covenants are met at all times. As part of this process any capital or liquidity surplus/needs are identified across the Group. Existing balance sheet capacity is expected to remain sufficient for the near future.

Capital management

The Group's capital management principles are to maximise returns to shareholders whilst enabling the execution of the Group's strategy and remaining compliant with the Group's risk appetite statement and regulatory requirements.

As part of its capital management strategy, the Group continually assesses whether it is optimising its use of capital and may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or adjust debt levels. The Group monitors capital through the Group's risk appetite framework, managing it as investment, working or regulatory capital.

The Group has maintained its focus on balance sheet strength by continued expense management across the Group.

Liquidity management

The Group actively manages liquidity risk by preparing cash flow forecasts for future years and through periodic review by senior management and the Board actively assessing options to ensure that internal liquidity requirements are met at all times. During the period, cash decreased by $57.3m, driven by remediation and transformation costs, and payments for interest expense and dividends. These outflows were largely offset by cash inflows from the divestment of IOOF Ltd and earnings from the provision of services.

Borrowings

At 31 December 2023, the Group's borrowing under the syndicated facility agreement (SFA) was $672m in principal (30 June 2023: $587m). In addition, $37.2m of bank guarantees have been issued as part of the SFA (30 June 2023: $43.0m). Bank guarantees are not shown on the statement of financial position.

Undrawn facilities associated with the SFA were $245.8m (30 June 2023: $325.0m) against an overall $955m facility limit. The Group is subject to certain financial covenants as part of its debt agreement, including a maximum ratio of net debt to EBITDA (leverage ratio) and a minimum interest cover (interest cover ratio). The Group complied with all these covenants throughout the period.

Subordinated loan notes (SLNs) are unsecured subordinated debt obligations issued by the Insignia Financial Group. For financial reporting purposes, these SLNs contain a host contract of $190.2m (30 June 2023: $189.6m) and a compound embedded derivative liability of $3.6m (30 June 2023: $9.4m liability) that is recognised separately.

Dividends

The Group has a policy of paying dividends of 60-90% of UNPAT on an annualised basis. In respect of the six months ended 31 December 2023, the Directors declared the payment of an interim dividend of 9.3 per share to the holders of fully paid ordinary shares to be paid on 3 April 2024. This dividend will be paid to all shareholders recorded on the Register of Members on 11 March 2024. This dividend is unfranked.

Further details on dividends declared or paid are set out in Note 6 *Dividends* in the financial report.

Directors' Report

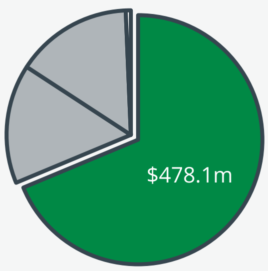
Operating and financial review

Platforms (continuing operations)

Closing FUA
$215.1 billion
(30 Jun 2023: $209.0 billion
31 Dec 2022: $201.3 billion)

UNPAT
(continuing operations)
$107.7 million
(1H23: $118.3 million)

Net revenue
(continuing operations)
$478.1 million
(1H23: $473.6 million)

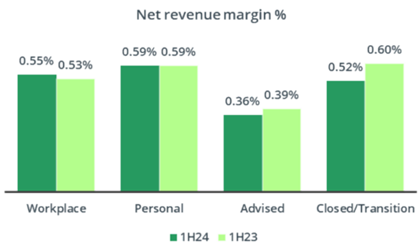


Operating expenses
(continuing operations)
$319.5 million
(1H23: $295.1 million)

NPAT
(continuing operations)
$6.6 million
(1H23: $65.4 million)

The Platforms segment offers a wide range of financial services solutions on superannuation and investments to clients including investors, superannuation fund members, employers and advisers.

Financial performance



The increase in net revenue is predominantly driven by equity market performance, resulting in the growth of average FUA over the period. Net revenue margin however declined from 47bps to 46bps due to a number of strategic re-pricing initiatives, along with the transition of clients moving from legacy products to contemporary products including the following:

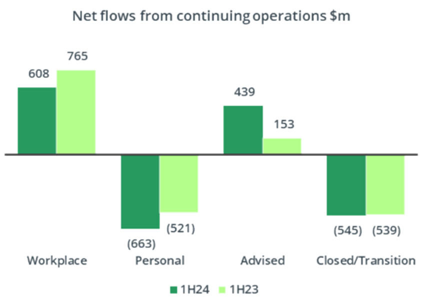
- repricing from the new Expand relaunch in November 2022;
- the transition of ASA members to Smart Choice in June 2023; and
- the transition of legacy One Answer members to OneAnswer Frontier in June 2023.

Increased operating expenses is largely driven by an increase in cyber security, governance and licence condition rectification.

The decrease in NPAT is primarily driven by higher transformation and remediation costs.

Refer to Note 2 *Operating Segments* for details.

FUA net flows



Net flows have remained largely flat. The advised channel has seen outflows from MLC Wrap accelerate throughout the half, in advance of the MLC Wrap to Expand migration in 2H24, but this has been offset by improved net flows within the go forward Expand platform along with the $1.8 billion transition to Insignia Financial's private label Rhythm administered by HUB24. The workplace channel has seen a continuation of net inflows although the growth in new businesses has been slowing in comparison with the prior period. The personal channel has seen a larger net outflow in comparison with 1H23 mainly due to the higher average account balances of members exited in 1H24.

Strategy and outlook

The next major phase of platform simplification, the migration of MLC Wrap to Expand, remains on target to be completed by April 2024 and will see the migration of MLC Wrap from the Star platform onto the Evolve platform. These platform migrations are key to unlocking benefits of scale and reducing risk for all stakeholders, by reducing complexity and cost to serve.

The branding launch of the Advised Wrap products under the one platform identity in November 2022 saw Expand Extra as the go forward "Full menu" option and Expand Essential as the go forward "Core menu" option. Along with the completion of the MLC Wrap migration in April 2024, a significant number of enhancements have and will continue to be made to the Expand products to improve the adviser and client experience and support the Evolve strategy.

Improvements will continue to be targeted within the workplace channel to build on the strong position it currently holds in the market and to allow for participation in new corporate business plan tenders in the future, with a market leading offering.

Directors' Report

Operating and financial review

Advice

Number of advisers

1,199

(30 Jun 2023: 1,413
31 Dec 2022: 1,525)

UNPAT

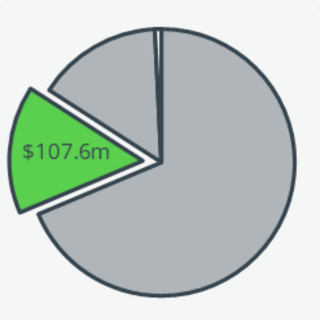
$0.7 million loss

(1H23: $21.9 million loss)

Net revenue

$107.6 million

(1H23: $103.7 million)



Operating expenses

$103.9 million

(1H23: $128.5 million)

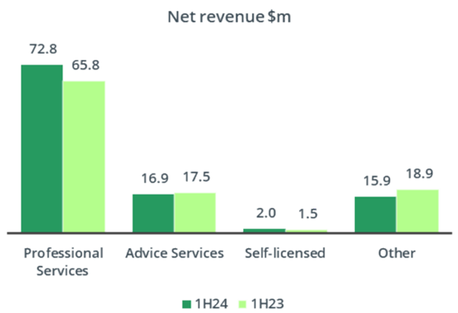
NPAT

$38.3 million loss

(1H23: $42.5 million loss)

The Advice segment provides quality financial advice that is accessible, affordable and engaging for Australians. The business helps clients navigate their way through a range of financial services and solutions and educates clients to improve their financial wellbeing.

Financial performance



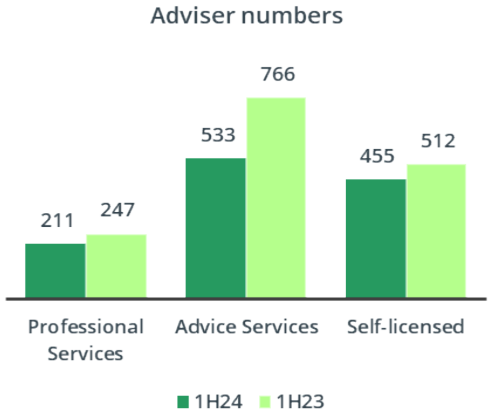
Net revenue has increased due to ongoing client fees continuing to grow from the repricing program in 2H23 in both Shadforth and Bridges business, partially offset by the cessation of third-party income.

Operating expenses reduced due to the realisation of optimisation benefits from the Advice restructure following its intention to reset its financial advice operating model including the establishment of Rhombus Advisory (previously Advice Services Co), the new partnership ownership model for the Advice Services channel.

NPAT loss was primarily driven by remediation costs, partially offset by the realisation of optimisation benefits from the Advice restructure.

Refer to Note 2 *Operating Segments* for details.

Number of advisers



The number of advisers decreased by 326 for the 12-month period ended 31 December 2023, primarily due to resetting of the Advice operating model through the sale of Millennium3 and discontinuation of the Lonsdale license in Advice Services channel (233 advisers). Self-licensed channel and Professional Services advisers decreased by 57 and 36 respectively.

Adviser numbers in the Professional Services (Employed) channel have stabilised following the integration of MLC Advice into Bridges.

Strategy and outlook

The Advice business has undertaken transformation initiatives which will accelerate the return to profitability while ensuring Rhombus Advisory (previously Advice Services Co) is positioned for sustainable growth.

Directors' Report

Operating and financial review

Asset Management

Closing FUM

$85.5 billion

(30 Jun 2023: $85.9 billion
31 Dec 2022: $83.8 billion)

UNPAT

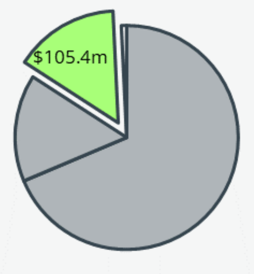
$30.2 million

(1H23: $34.8 million)

Net revenue

$105.4 million

(1H23: $114.0 million)



Operating expenses

$61.9 million

(1H23: $62.3 million)

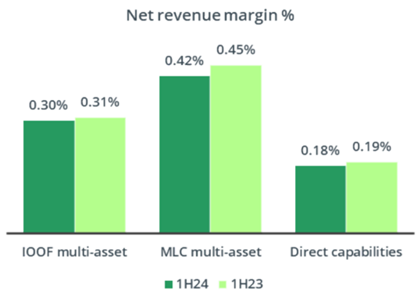
NPAT

$19.6 million

(1H23: $26.0 million)

The Asset Management segment provides investment management services on behalf of institutional, retail and direct clients across a diverse range of asset classes and product structures.

Financial performance



Net revenue declined by $8.6m compared to 1H23, primarily as result of changes in the commercial relationship with JANA and the repricing of certain Private Equity and Alternatives investment strategies, partially offset by growth in FUM driven by investment market performance.

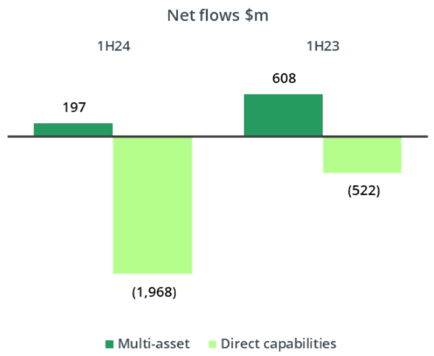
During 2023 Insignia Financial implemented a number of changes to the commercial relationship with JANA including the divestment of its remaining 45% equity interest in January 2023 and the cessation of the $8bn implemented consulting partnership in December 2022. Excluding the impact of JANA, FUM grew modestly across calendar year 2023 with the macroeconomic headwinds and inflationary environment that had impacted asset valuations in 1H23 stabilising and eventually recovering, resulting in higher FUM in 1H24.

Net revenue margin declined by 0.7bps compared to 1H23, mainly as a result of the repricing event in Private Equity and Alternative Strategies. Excluding repricing, net revenue margin remained consistent across most other asset management capabilities.

The reduction in operating expenses 1H24 versus 1H23 is driven by cost optimisation which, together with lower financing, depreciation and amortisation costs, helped offset the fall in revenue, with UNPAT declining by $4.6m in 1H24 compared with the prior period.

Refer to Note 2 *Operating Segments* for details.

FUM net flows



Excluding JANA, flows for 1H24 totalled $1.8b in net outflows compared to $0.1b in net inflows in 1H23, largely driven by institutional client rebalancing within our direct capabilities, with the majority of outflows occurring in our Antares Fixed Income and Intermede Global Equities capabilities.

Multi-asset retail offerings delivered $0.2bn in net inflows, driven by strong advisor take up for MLC's managed accounts offering ($0.4b net inflows), partially offset by $0.2bn in outflows in the traditional retail multi-asset managed fund offerings due to a number of advisor relationship headwinds including the migration of MLC Wrap to the Evolve platform, the alignment of IOOF and MLC investment options and the outcomes of Your Future Your Super tests.

Strategy and outlook

Asset Management continues to focus on broadening the distribution reach of the MLC managed accounts capability and expanding MLC's leading private equity capability to a broader client base.

Directors' Report

Operating and financial review

Corporate

Operating expenses

$32.8 million

(1H23: $31.8 million)

UNPAT

$41.7 million loss

(1H23: $36.8 million loss)

NPAT

$37.8 million loss

(1H23: $52.2 million loss)

The Corporate segment comprises group functions required to support the Group and operating segments. Activities performed by the segment are of a strategic, shareholder or governance nature and reflect centralised corporate expenses.

The segment also includes the financial results from the Group's divestment program.

Financial performance

Operating expenses are broadly flat compared to the prior period.

The improvement in net loss after tax is mainly driven by gains from fair value movements on financial instruments partially offset by an increase in transformation costs and net losses on divestment including a $7.0m loss on sale of IOOF Ltd.

Refer to Note 2 *Operating Segments* for details.

Directors' Report

Operating and financial review

Risk management

The Board is responsible for establishing and overseeing the Group's Risk Management Framework (RMF) and has delegated authority for the oversight and monitoring of the RMF to the Group Risk and Compliance Committee and the Chief Executive Officer (or their delegate). The RMF embeds a robust, clearly defined framework of proactive risk identification, continuous risk assessment and targeted management of risk across all Insignia Financial's business operations in managing material risks. The key pillars of the RMF include:

- The Group Risk Management Strategy (RMS) which articulates the Group's approach to the implementation of its strategic objectives and the key elements of the RMF that give effect to the strategy. It also includes a description of each material risk, including key roles and responsibilities for managing the risk, and outlines the risk governance structure;
- The Group Risk Appetite Statement (RAS), which sets out the Board's expectations regarding the degree of risk that the Group is prepared to accept in pursuit of strategic and business objectives, giving consideration to the interests of clients and shareholders;
- The Group Risk Management Policy (RMP) which sets out the methodology to identify, assess, manage, analyse, monitor and report on those risks that could impact the achievement of strategic objectives, impact core processes and/or result in non-compliance with obligations;
- A Three Lines of Accountability (3LoA) model to govern risk management and compliance activities across the Group. The 3LoA model represents the three levels of risk management that facilitate the effective operation of the RMF. The overarching principle is that risk management capability must be embedded into the business to be effective; and
- The Risk Culture principles, which are essential for effective risk management outcomes that support the Group's financial and operational resilience.

In November 2022, APRA imposed additional licence conditions on the Registrable Superannuation Entity Licensees (RSELs). These conditions included:

- Enhancement of the RSELs' governance in relation to member outcomes, oversight of service providers, risk, compliance and managing conflicts of interest;
- Appointment of an independent expert to examine the operational effectiveness of the RSELs' governance, accountability and risk management frameworks and practices; and
- Rectification of areas of concern with input from the independent expert.

Additionally, APRA required:

- I.O.O.F Investment Management Limited to comply with its legal obligation in relation to the transfer of member benefits; and
- OnePath Custodians Pty Limited to appoint an independent expert to provide root cause analysis and assurance in relation to the breach of APRA's direction.

A Rectification Action Plan (RAP) has now been developed and the Group is making good progress in addressing licence conditions. The RAP has considered changes broader than the Independent Expert findings. The Group is committed to working with the RSELs to satisfactorily address these changes in the timeframes set out in the RAP.

Directors' Report

Operating and financial review

The Group manages a number of risks in conducting its operations and implementing its strategy. Material risks faced by the Group include, but may not be limited to those shown in the following table.

Material risk	Context	Key actions to manage the risk
Strategic change agenda	We aim to achieve financial wellbeing for every Australian. Through strategic transformation, we are simplifying our business operations and services to better meet the needs and outcomes of our clients. We actively manage existing and emerging risks arising from these changes, as well as in our regulatory and competitive landscape.	The Group adopts a business planning process for setting strategic and business initiatives investing in client service, product design, stakeholder relationships, market research, participation in consultation processes and other continuous improvement initiatives. The Group adopts an enterprise delivery framework that sets consistent standards and expectations on how we manage risks in the delivery of key strategic initiatives. The Group Executive Risk Forum supports the oversight of identifying and assessing emerging risks to the Group and assessment of the impacts of current and emerging environmental, social, business and regulatory risks and exposures to the extent they do or may have consequences for the Group.
Environment, Social and Governance (ESG)	We continue to strengthen our commitment to environmental, social and governance (ESG) principles, and are now a certified Climate Active organisation by achieving carbon neutrality for operational emissions nationally. The Group's financial performance and reputation can be adversely impacted by not adequately identifying, assessing and managing ESG factors.	The Group manages a range of ESG risks in accordance with the implementation of the IFL ESG strategy and outlined actions and goals. This includes not conducting business or maintaining relationships with members or suppliers known to be involved in modern slavery, money laundering, terrorism financing, or human rights violators, as well as those operating in industries with unacceptable ESG risks. Climate related risks across four key business pillars (corporate operations, superannuation, asset management and advice) are thoroughly assessed through climate risk reporting using the Taskforce for Climate Financial Disclosure (TCFD) framework to improve our processes, frameworks and disclosures in managing climate change risks and opportunities. Responsible investment protocols and processes are in place for identifying and managing material ESG impacts, risks and opportunities across investment schemes and products.

Directors' Report

Operating and financial review

Material risk	Context	Key actions to manage the risk
Governance	We have made progress in our governance uplift to assist our Board and management to make reasonable and impartial business decisions in the interests of the Group and the best financial interests of clients in accordance with but not limited to the below to achieve the highest of standards: • ASX Corporate Governance Principles and Recommendations; • Registrable Superannuation Entities' obligations; • Responsible Entities' obligations; and • Discharging of fiduciary duties in good faith and in the best interests of clients.	The Group has a RAP and is in the process of implementing the agreed actions. The RAP has considered changes broader than the Independent Expert findings. The Group is committed to working with the RSELs to satisfactorily address these changes in the timeframes set out in the RAP. Executive Risk Forums (Group and Superannuation) support the oversight of risks and obligations within appetite, relevant emerging risks to the Group and reinforcement of desired organisational behaviours including accountability for risk management. The Group has in place the Conflicts Management Framework to identify, assess, mitigate, manage and monitor conflicts. The Member Office (MO) and Office of the Responsible Entity (ORE) act independently to the Risk Management function to set expected standards of governance and to oversee adherence to those standards by the Group in respect to advocating for member outcomes, members' best financial interests and investors' best interests. Remuneration framework and consequence management frameworks are in place that ensure legal and regulatory compliance, and to promote fair remuneration and reward behaviours.
Financial stability	We continue to maintain our financial strength and performance to meet financial obligations and needs required by regulators and stakeholders to support the Group's consolidated operations. Effective capital and debt management is imperative to meet the Group's ongoing funding requirements and to maintain volatility in economic conditions. The capital requirements of the Group may be affected by earnings, asset growth, regulatory changes and strategic decisions – including acquisitions, divestments and changes in capital-intensive businesses.	The Group has a syndicated facility agreement providing diversity of funding and flexibility to manage working capital needs across the Group. The liquidity and capital requirements of the Group and its licensed entities are regularly reviewed and carefully monitored in accordance with risk appetite, banking covenants, licence requirements and regulatory capital requirements. Market risk is managed by holding diversified short and long-term investment mixes and loans in accordance with the Group Capital Management policy. Where appropriate derivatives are used to manage the exposures. Liquidity risk is managed by maintaining sufficient liquid assets and an ability to access a committed line of credit.

Directors' Report

Operating and financial review

Material risk	Context	Key actions to manage the risk
Investment governance	As a leading provider of asset management, advisory and fiduciary investment administrative services in Australia, our ability to effectively manage and advise on the investment risks impacts the level of funds under management or administration and in turn our revenue. If the investment governance framework is not effective to navigate the changing investment market, there is a risk that investment decisions are not in line with investment strategies and objectives, best interest of clients and regulatory requirements.	Investment governance is managed at the subsidiary company level and not at Group level. Each applicable entity will address the following: • Investment risk is managed in accordance with the strategies described in the Product Disclosure Statement (PDS). • Multiple teams are responsible to implement Investment Governance Frameworks that meet the requirements of relevant obligations, investment objectives and strategies at both fund and investment option levels, liquidity management, stress testing, valuation and roles and responsibilities. • The Head of Responsible Investment (RI) is responsible for considering contemporary RI issues as raised by external stakeholders, including regulators and clients, and therefore developing the approach to RI and making recommendations on how the organisation can evolve in this space.
Client outcomes	We are committed to delivering sustainable and optimal client outcomes. We continue to mitigate against instances where our frameworks, product design or practices may fail to prevent inappropriate, unethical or unlawful behaviour by an IFL entity or our employees. Areas of increased risk and focus include: • Fiduciary role of the superannuation business and implications of not meeting APRA performance tests or portability requirements; • Provision of quality, appropriate and adequate financial advice in the best interests of clients; and • Meeting disclosed client expectations in the context of the complexity of the business model and volume of product offerings in a changing operating environment.	Mandatory training on Our Code of Conduct completed by employees annually which sets the expected standards of behaviour for everyone at Insignia Financial. The Member Office has implemented a member outcomes framework which influences and prioritises management decisions impacting member outcomes. Advice risk is managed by having high professional, educational, compliance, assurance and training standards in place for the Group's advisers and authorised representatives. The Group also undertakes a rolling program of compliance reviews of advisers. The strategic change agenda is focused on simplifying the business, reducing complexity and improving sustainable outcomes for clients and shareholders. The complaints framework is in place to handle client complaints in a timely, consistent, fair and reasonable manner and deliver the required outcome for the impacted client.

Directors' Report

Operating and financial review

Material risk	Context	Key actions to manage the risk
People and Culture	We continue to foster our unique culture and invest into the things that help us achieve our ambition to build financial wellbeing for every Australian. We attract and retain the level of talent and skills required to effectively support business operations. We are committed to fostering a culture of diversity and inclusion and creating a sense of belonging for all employees. With Australia's present labour market conditions, the skills gap in the domestic market remains a challenge. This creates the risk of inadequate human resources or competency to conduct business, including failure to retain talent, employee fatigue, poor organisational design and excessive reliance on key persons.	The Group offers competitive employment conditions and benefits and promotes fair remuneration. This risk is also managed by: • having established recruitment processes in place to ensure employees meet competency requirements; • monitoring of employee performance; • monitoring of employee turnover; and • providing employees with wellbeing education and support. The performance management process is designed to reinforce behaviours that are aligned to our principles and desired risk culture and conduct. This is achieved by aligning remuneration with performance outcomes (including risk and conduct gate measures). Establishing a Diversity and Inclusion Advisory Committee which is made up of people who are passionate about making a difference to the diversity and inclusion landscape and assessing our employees' voice through Our Voice surveys to recognise and celebrate the value of difference.
Cyber resilience	We are committed to protect our clients and our clients' data against cyber security threats. We make sure the technology supporting information security and cyber security is modern and fit-for-purpose, to protect information held by the Group from internal or external compromise on systems causing business disruption, data and potential privacy breaches, client dissatisfaction, regulatory breaches/fines and/ or financial loss.	The Information Security Management Framework outlines the key elements of Information Security Governance and Management including controls to address key capability areas and the supporting policies, standards and procedures. Information Management standards outline the requirements on how information is created, managed, shared, used and disposed in a timely manner. Annual business continuity and disaster recovery testings of critical business applications for Information Technology systems and services are undertaken.
Legal and compliance	The Group is required to comply with large volumes of complex legal and regulatory obligations applicable to its business activities. The increasing volume and complexity of regulatory change, at times within relative short time frames, if not adequately implemented in a timely manner could give rise to non-compliance with regulations, financial penalties and adversely impact the Group's reputation.	The Compliance Obligations Framework includes a consistent set of principles and processes including assessment of applicability to business activities and assignment of accountable owners who periodically review the compliance of business processes and activities. The Group maintains policies and frameworks to address the legislative requirements and the required systems, processes, resources and employee training to ensure compliance, monitoring and reporting of any incidents or breaches. A Regulatory Change Model is in place and managed by the Regulatory Change team to monitor and oversee all regulatory change activities.

Directors' Report

Operating and financial review

Material risk	Context	Key actions to manage the risk
Operational risk environment	We are one of Australia's largest wealth managers operating in a complex environment. This exposes the Group to operational risks relating to losses resulting from inadequate or failed internal processes, people and systems, or from external events. These include, but are not limited to internal and external fraud, money laundering and terrorism financing, bribery and corruption. The financial statements contain certain provisions and contingent liabilities for these risks in accordance with applicable accounting standards.	Our risk and compliance management policies and procedures support a risk-based approach by the business in the identification, assessment, treatment and monitoring of identified risks, incidents and breaches in a timely manner. The Risk Management team supports the business as well as undertaking assurance reviews (e.g. control testing programs) in order to support the Board and its committees in ensuring that we manage risk appropriately. We have a dedicated Financial Crime team to develop, manage and undertake regular reviews of Insignia Financial's anti-money laundering (AML) and counter-terrorism financing (CTF) Programs and financial crime risk and operational frameworks.

Impact of geopolitical tensions and other macroeconomic conditions

In preparing the financial report, the Group has considered the impact of geopolitical tensions and other macroeconomic conditions in its adoption of significant assumptions and market inputs used in:

- valuing the Group's financial instruments; and
- preparing disclosures for the fair value of financial assets and liabilities and financial risk management.

The Group's management and services fee revenue is directly driven by the Group's FUMA balance at any given point of time. Market movements along with net flows are a significant contributor to FUMA and are therefore impacted by current and future macroeconomic conditions.

The Group has reviewed the appropriateness of inputs to the valuation of financial instruments and the disclosures for the fair value of financial instruments. The fair value of the Group's financial instruments may have been impacted by a variety of factors arising from changed business conditions as a result of geopolitical tensions and other macroeconomic conditions. As a general principle, quoted prices in active markets provide the best available evidence of fair value. The Group's financial instruments are valued using directly observable inputs whenever possible as these are considered to be the most reliable and appropriate evidence of fair value.

Non-financial risks emerging from global inflation hikes, tightening monetary policies, global geopolitical tensions have been identified, assessed, managed and governed through timely application of the Group's risk management policies.

Management continues to monitor the impact of global economic uncertainty to the business environment including ongoing assessment of market risk, credit risk and liquidity risk associated with the business.

Directors' Report

The Directors present their report together with the interim financial report of the Insignia Financial Group for the six months ended 31 December 2023 and the independent auditor's review report thereon. The operating and financial review is part of the Directors' report.

Directors

The names and details of the Directors of Insignia Financial Ltd holding office during the six months to 31 December 2023 and as at the date of this report are listed below. Directors were in office for this entire period unless otherwise stated.

Name	Role
Mr Allan Griffiths	Independent Chair
Mr Renato Mota*	Managing Director and Chief Executive Officer
Ms Elizabeth Flynn**	Independent Non-Executive Director
Mr John Selak	Independent Non-Executive Director
Mr Andrew Bloore	Independent Non-Executive Director
Ms Michelle Somerville	Independent Non-Executive Director

*resigning effective 29 February 2024.

**retiring 2024.

The Group Nominations Committee reviews the balance of skills, experience, independence, knowledge and diversity of Directors. This includes the creation of a board skills matrix setting out the mix of skills that the Board believes it should possess in order to meet the existing and emerging needs of the business.

The skills matrix is reviewed annually. The Board is satisfied that the current skills matrix demonstrates that all relevant skills are well represented by the existing directors. The current Board skills matrix is available as part of our Corporate Governance Statement which is available on the Company's website.

Events occurring after balance date

On 8 February 2024, the Company announced that Scott Hartley has been appointed as the Chief Executive Officer and Executive Director of Insignia Financial Ltd effective 1 March 2024.

The Directors have declared the payment of an interim dividend of 9.3 cents per share. The dividends are unfranked and will be paid on 3 April 2024 to all shareholders recorded on the Register of Members on 11 March 2024.

The Directors are not aware of any other matter or circumstance not otherwise dealt with in this report, or the accompanying financial statements and notes thereto, that has arisen since 31 December 2023 that has significantly affected, or may significantly affect:

- the Group's operations in future financial periods; or
- the results of those operations in future financial periods; or
- the Group's state of affairs in future financial periods.

Lead auditor's independence declaration

The lead auditor's independence declaration is included on page 26 of the interim financial report and forms part of the Directors' Report for the six months ended 31 December 2023.

Rounding off of amounts

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 instrument amounts in the financial report are rounded off to the nearest one hundred thousand dollars, unless otherwise stated.

Authorisation

The Directors' Report is signed in accordance with a resolution of the Directors made pursuant to s.306(3) of the *Corporations Act 2001*.

Mr Allan Griffiths
Chairman
Melbourne
22 February 2024

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Insignia Financial Ltd

I declare that, to the best of my knowledge and belief, in relation to the review of Insignia Financial Ltd for the half-year ended 31 December 2023 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Dean Waters
Partner

Melbourne
22 February 2024

Condensed consolidated statement of comprehensive income

For the six months ended 31 December 2023

For the six months ended	Note	31 Dec 23 $m	31 Dec 22 $m
Continuing operations			
Revenue	3	979.2	972.1
Expenses	4	(1,020.6)	(954.5)
Impairment expense		-	(1.2)
Share of profits of associates accounted using the equity method		5.0	4.7
Finance costs		(28.0)	(26.5)
Loss before tax and statutory funds from continuing operations		**(64.4)**	**(5.4)**
Income tax benefit	5	14.5	2.1
Loss after tax before statutory funds from continuing operations		**(49.9)**	**(3.3)**
Statutory funds revenue*	21	(1.6)	27.3
Statutory funds expenses*	21	(8.3)	(13.5)
Income tax expense - statutory funds*	21	9.9	(13.8)
Statutory funds contribution to profit, net of tax		**-**	**-**
Loss after tax for the period from continuing operations		**(49.9)**	**(3.3)**
Discontinued operations			
Profit from discontinued operations, net of tax		-	48.4
(Loss)/profit for the period		**(49.9)**	**45.1**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Change in fair value of financial assets through other comprehensive income		(0.4)	-
Remeasurements of defined benefit asset		1.4	0.6
Income tax expense on other comprehensive income		(0.3)	(0.2)
		0.7	**0.4**
Items that may be reclassified to profit or loss			
Exchange differences on translating foreign operations		(0.3)	0.2
Income tax expense on other comprehensive income		0.1	(0.1)
		(0.2)	**0.1**
Other comprehensive income for the period, net of tax		**0.5**	**0.5**
Total comprehensive income for the period		**(49.4)**	**45.6**
(Loss)/profit attributable to:			
Owners of the Company		(49.9)	45.2
Non-controlling interest		-	(0.1)
(Loss)/profit for the period		**(49.9)**	**45.1**
Total comprehensive income attributable to:			
Owners of the Company		(49.4)	45.7
Non-controlling interest		-	(0.1)
Total comprehensive income for the period		**(49.4)**	**45.6**
Earnings per share			
Basic earnings per share (cents per share)	7	(7.5)	6.9
Diluted earnings per share (cents per share)	7	(7.5)	6.9
Earnings per share - continuing operations			
Basic earnings per share (cents per share)	7	(7.5)	(0.5)
Diluted earnings per share (cents per share)	7	(7.5)	(0.5)

Notes to the condensed consolidated financial statements are included on pages 31 to 47.

*A former subsidiary of the Company, IOOF Ltd, is a friendly society in accordance with the *Life Insurance Act 1995*. The funds operated by IOOF Ltd, and any trusts controlled by those funds, are treated as statutory funds in accordance with the *Life Insurance Act 1995*. These statutory funds are required to be consolidated in accordance with accounting standards. IOOF Ltd was divested on 31 October 2023.

Condensed consolidated statement of financial position

As at 31 December 2023

		31 Dec 23	30 Jun 23
	Note	$m	$m
Assets			
Cash and cash equivalents	8	448.3	505.6
Receivables	9	273.9	268.7
Other financial assets	10	297.3	282.3
Current tax assets		52.8	33.8
Prepayments		42.9	36.6
Assets classified as held for sale*		2.2	1,148.0
Defined benefit asset		22.7	21.3
Associates		59.3	59.1
Property and equipment	11	124.3	146.0
Intangible assets	12	2,462.1	2,503.4
Total assets		**3,785.8**	**5,004.8**
Liabilities			
Payables	13	179.8	195.8
Other financial liabilities	14	14.3	20.1
Provisions	15	291.8	365.2
Liabilities associated with assets classified as held for sale*		0.4	1,105.4
Lease liabilities		145.1	161.8
Borrowings	16	862.4	775.6
Deferred tax liabilities	5	62.2	51.1
Total liabilities		**1,556.0**	**2,675.0**
Net assets		**2,229.8**	**2,329.8**
Equity			
Share capital	17	3,045.4	3,036.1
Reserves	18	4.2	4.6
Accumulated losses		(819.3)	(710.4)
Total equity attributable to equity holders of the Company		**2,230.3**	**2,330.3**
Non-controlling interest		(0.5)	(0.5)
Total equity		**2,229.8**	**2,329.8**

Notes to the condensed consolidated financial statements are included on pages 31 to 47.

*Assets and liabilities classified as held for sale for 31 December 2023 relate to assets and liabilities of certain advice businesses and non-related land and buildings.

Condensed consolidated statement of changes in equity

For the six months ended 31 December 2023	Ordinary shares	Treasury shares	Reserves	Accumulated losses	Total	Non-controlling interest	Total equity
	$m	$m	$m	$m	$m	$m	$m
Balance at 1 July 2023	3,043.3	(7.2)	4.6	(710.4)	2,330.3	(0.5)	2,329.8
Total comprehensive income for the period							
Loss for the period	-	-	-	(49.9)	(49.9)	-	(49.9)
Other comprehensive income	-	-	(0.5)	1.0	0.5	-	0.5
Total comprehensive income	**-**	**-**	**(0.5)**	**(48.9)**	**(49.4)**	**-**	**(49.4)**
Transactions with owners directly in equity							
Issue of shares under dividend reinvestment plan	9.7	-	-	-	9.7	-	9.7
Purchase of treasury shares	-	(1.0)	-	-	(1.0)	-	(1.0)
Dividends paid	-	-	-	(61.5)	(61.5)	-	(61.5)
Share-based payments expense	-	-	2.2	-	2.2	-	2.2
Transfer from employee equity-settled benefits reserve on exercise of performance rights	0.6	-	(0.6)	-	-	-	-
Treasury shares transferred to recipients	(1.2)	1.2	-		-	-	-
Transfer of lapsed performance rights	-	-	(0.2)	0.2	-	-	-
Transfer from equity investment revaluation reserve	-	-	(1.3)	1.3	-	-	-
Total transactions with owners	**9.1**	**0.2**	**0.1**	**(60.0)**	**(50.6)**	**-**	**(50.6)**
Balance at 31 December 2023	3,052.4	(7.0)	4.2	(819.3)	2,230.3	(0.5)	2,229.8
For the six months ended 31 December 2022							
Balance at 1 July 2022	3,017.2	(3.6)	5.0	(617.5)	2,401.1	(0.2)	2,400.9
Total comprehensive income for the period							
Profit for the period	-	-	-	45.2	45.2	(0.1)	45.1
Other comprehensive income	-	-	0.1	0.4	0.5	-	0.5
Total comprehensive income	**-**	**-**	**0.1**	**45.6**	**45.7**	**(0.1)**	**45.6**
Transactions with owners directly in equity							
Issue of shares under dividend reinvestment plan	14.4	-	-	-	14.4	-	14.4
Purchase of treasury shares	-	(2.1)	-	-	(2.1)	-	(2.1)
Dividends paid	-	-	-	(77.1)	(77.1)	-	(77.1)
Release on disposal of subsidiaries	-	-	(2.7)	-	(2.7)	-	(2.7)
Share-based payments expense	-	-	1.9	-	1.9	-	1.9
Transfer from employee equity-settled benefits reserve on exercise of performance rights	1.2	-	(1.2)	-	-	-	-
Treasury shares transferred to recipients	(1.2)	1.2	-	-	-	-	-
Transfer of lapsed performance rights	-	-	(0.8)	0.8	-	-	-
Total transactions with owners	**14.4**	**(0.9)**	**(2.8)**	**(76.3)**	**(65.6)**	**-**	**(65.6)**
Balance at 31 December 2022	3,031.6	(4.5)	2.3	(648.2)	2,381.2	(0.3)	2,380.9

Notes to the condensed consolidated financial statements are included on pages 31 to 47.

Condensed consolidated statement of cash flows

For the six months ended 31 December 2023

For the six months ended	Note	31 Dec 23 $m	31 Dec 22 $m
Cash flows from operating activities			
Receipts from customers		1,201.6	993.4
Payments to suppliers and employees		(1,096.7)	(836.5)
Dividends from associates		4.4	6.5
Remediation costs		(90.0)	(96.5)
Transformation and separation costs		(111.7)	(66.3)
Legal settlements paid		(5.6)	(1.4)
Income tax paid		(1.0)	(26.1)
Net cash used in operating activities for the corporate group		(99.0)	(26.9)
Receipts from customers		0.8	1.6
Payments to suppliers and employees		(2.8)	(4.3)
Contributions received		21.3	37.5
Withdrawal payments		(46.3)	(63.6)
Dividends and distributions received		1.5	0.2
Net payments for financial instruments		20.2	25.5
Amounts advanced to other entities		5.7	5.5
Income tax paid		-	(2.9)
Net cash provided by/(used in) operating activities from the statutory funds		0.4	(0.5)
Net cash used in operating activities		(98.6)	(27.4)
Cash flows from investing activities			
Dividends and distributions received		0.2	0.2
Interest received		16.5	8.3
Proceeds on divestment of subsidiaries		38.0	135.0
Net payments for financial assets		(2.2)	(9.6)
Net payments for property and equipment		(0.8)	(2.8)
Net payments for intangible assets		-	(12.4)
Net cash provided by investing activities		51.7	118.7
Cash flows from financing activities			
Drawdown of borrowings (net of borrowing costs)		121.0	753.3
Repayment of borrowings (principal)		(36.0)	(745.3)
Interest and other costs of finance paid		(23.1)	(21.5)
Repayment of lease liabilities		(19.2)	(18.3)
Share based payment purchases		(1.0)	(2.1)
Dividends paid to owners of the Company		(51.8)	(62.7)
Net cash used in financing activities		(10.1)	(96.6)
Net decrease in cash and cash equivalents		(57.0)	(5.3)
Cash and cash equivalents at the beginning of the period	8	505.6	518.0
Reclassified to assets held for sale during the period		(0.3)	-
Effects of exchange rate movements		-	0.2
Cash and cash equivalents at the end of the period	8	**448.3**	**512.9**

Notes to the condensed consolidated financial statements are included on pages 31 to 47.

Notes to the financial statements

For the six months ended 31 December 2023

Section 1 - Basis of preparation

This section sets out the Group's accounting policies that relate to the financial statements as a whole. This section also shows new accounting standards, amendments and interpretations, and whether they are effective in financial year 2024 or later reporting periods. The expected impact of these changes to the financial position and performance of the Group is explained in this section.

1 Basis of preparation

Reporting entity

Insignia Financial Ltd (the 'Company') is a public company listed on the Australian Securities Exchange (trading under the symbol 'IFL'), domiciled in Australia. The interim financial report for the six months ended 31 December 2023 comprises the Company and its controlled entities (collectively, the Group or the Insignia Financial Group).

The Insignia Financial Group is a for-profit entity. The principal activities of the Group are:

- **Platforms:** Offering a wide range of superannuation and investment solutions to clients including investors, members, employers and advisers.
- **Advice:** Providing quality financial advice that is accessible, affordable and engaging for Australians. The business helps clients navigate their way through a range of financial services and solutions and educates clients to improve their financial wellbeing.
- **Asset Management:** Providing investment management services to institutional, retail and direct clients across a diverse range of asset classes and product constructs.

The annual financial report of the Group for the year ended 30 June 2023 is available upon request from the Company's registered office or at www.insigniafinancial.com.au. The Company's registered office and its principal place of business are Level 1, 800 Bourke Street, Docklands Victoria 3008.

Basis of preparation

(a) Statement of compliance

The condensed consolidated interim financial report for the half-year reporting period ended 31 December 2023 has been prepared in accordance with *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*. This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023. This interim financial report was approved by the Board of Directors on 22 February 2024.

(b) Use of estimates and judgements

Management is required to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

In preparing the condensed consolidated interim financial report the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2023.

(c) Rounding of amounts

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument amounts in the Directors' report and the interim financial report are rounded off to the nearest $100,000, unless otherwise stated.

Other material accounting policies

The accounting policies applied in this condensed consolidated interim financial report are consistent with those applied in the Group's annual financial report for the year ended 30 June 2023.

New accounting standards and amendments to accounting standards issued but not yet effective

A number of new standards and amendments to accounting standards have been issued but are not yet effective, have not been early adopted by the Group. These standards and amendments to accounting standards, when applied in future periods, are not expected to have a material impact on the financial position or financial performance of the Group.

Notes to the financial statements

For the six months ended 31 December 2023

Section 2 – Results for the period

This section focuses on the results and performance of the Group. The following pages explains the Group's results for the period, segment information, dividends, taxation and earnings per share.

2 Operating segments

The Group has four reportable segments: Platforms, Advice, Asset Management and Corporate. This is determined based on the Group's internal reporting to the chief operating decision maker which is the Group's Chief Executive Officer.

Segment performance is measured on an underlying profit after income tax (UNPAT) basis as discussed in the Operating and Financial Review section of the Directors' Report. Management believes that UNPAT is the most relevant measurement in evaluating the performance of each segment.

Platforms

The Platforms segment offers a wide range of financial services solutions on superannuation and investments to clients including investors, members, employers and advisers.

Advice

The Advice segment provides quality financial advice that is accessible, affordable and engaging for Australians. The business helps clients navigate their way through a range of financial services and solutions and educates clients to improve their financial wellbeing.

Asset Management

The Asset Management segment provides investment management services on behalf of institutional, retail and direct clients across a diverse range of asset classes and product constructs.

Corporate

The Corporate segment comprises group functions required to support the Group and operating segments. Activities performed by the segment are of a strategic, shareholder or governance nature and reflect centralised corporate expenses.

Notes to the financial statements

For the six months ended 31 December 2023

Information regarding the results of each reportable segment (excluding the statutory funds) is included below.

	Platforms		Advice		Asset Management		Corporate		Total	
For the six months ended	31 Dec 23 $m	31 Dec 22 $m	31 Dec 23 $m	31 Dec 22 $m	31 Dec 23 $m	31 Dec 22 $m	31 Dec 23 $m	31 Dec 22 $m	31 Dec 23 $m	31 Dec 22 $m
Management and service fees revenue	559.2	566.8	277.3	277.8	105.6	117.4	-	-	942.1	962.0
Share of profits of associates	-	-	-	-	5.0	4.7	-	-	5.0	4.7
Service fees and other direct costs	(61.6)	(84.6)	(172.1)	(177.9)	(31.2)	(24.7)	2.2	(0.3)	(262.7)	(287.5)
Other revenue	6.5	8.1	2.4	3.7	-	-	2.4	0.3	11.3	12.1
Inter-segment revenue	-	-	-	0.1	26.0	16.7	-	-	26.0	16.8
Inter-segment expenses	(26.0)	(16.7)	-	-	-	(0.1)	-	-	(26.0)	(16.8)
Net revenue from continuing operations	**478.1**	**473.6**	**107.6**	**103.7**	**105.4**	**114.0**	**4.6**	**-**	**695.7**	**691.3**
Operating expenses	(319.5)	(295.1)	(103.9)	(128.5)	(61.9)	(62.3)	(32.8)	(31.8)	(518.1)	(517.7)
Finance income	11.2	6.4	0.6	0.2	0.4	0.1	4.3	1.5	16.5	8.2
Finance costs	(1.7)	(1.2)	(0.6)	(0.7)	(0.4)	(0.4)	(28.5)	(24.2)	(31.2)	(26.5)
Share-based payments expense	(1.2)	(1.0)	(0.4)	(0.4)	(0.4)	(0.2)	(0.2)	(0.3)	(2.2)	(1.9)
Depreciation of property & equipment	(11.3)	(7.3)	(4.8)	(5.7)	(1.8)	(2.1)	(2.3)	(6.0)	(20.2)	(21.1)
Amortisation of intangible assets	(1.2)	(1.1)	-	-	-	-	(0.1)	(0.2)	(1.3)	(1.3)
Impairment expenses	-	(0.4)	-	(0.3)	-	(0.1)	-	(0.4)	-	(1.2)
Income tax (expense)/benefit	(46.7)	(55.6)	0.8	9.8	(11.1)	(14.2)	13.3	24.6	(43.7)	(35.4)
UNPAT from continuing operations	**107.7**	**118.3**	**(0.7)**	**(21.9)**	**30.2**	**34.8**	**(41.7)**	**(36.8)**	**95.5**	**94.4**
UNPAT adjustments	(101.1)	(52.9)	(37.6)	(20.6)	(10.6)	(8.8)	3.9	(15.4)	(145.4)	(97.7)
Profit/(loss) from continuing operations	**6.6**	**65.4**	**(38.3)**	**(42.5)**	**19.6**	**26.0**	**(37.8)**	**(52.2)**	**(49.9)**	**(3.3)**
UNPAT from discontinued operations	-	4.2	-	-	-	-	-	-	-	4.2
UNPAT for the period	**107.7**	**122.5**	**(0.7)**	**(21.9)**	**30.2**	**34.8**	**(41.7)**	**(36.8)**	**95.5**	**98.6**
UNPAT adjustment from discontinued operations	-	44.2	-	-	-	-	-	-	-	44.2
Profit/(loss) for the period	**6.6**	**113.8**	**(38.3)**	**(42.5)**	**19.6**	**26.0**	**(37.8)**	**(52.2)**	**(49.9)**	**45.1**

Notes to the financial statements

For the six months ended 31 December 2023

3 Revenue

For the six months ended	31 Dec 23	31 Dec 22
	$m	$m
Management and service fees revenue		
Management and administration fees	596.3	616.9
Financial planning revenue	256.4	258.8
Other management and service fees revenue	89.4	86.3
Management and service fees revenue	942.1	962.0
Finance income		
Interest income on financial assets measured at fair value	6.0	3.4
Interest income on financial assets measured at amortised cost	10.5	4.8
Finance income	16.5	8.2
Other revenue		
Net fair value gain/(losses) on financial instruments	9.3	(10.2)
Net gain on disposal of assets	2.3	-
Dividends and distributions received	0.2	0.2
Sundry income	8.8	11.9
Other revenue	20.6	1.9
Total revenue	**979.2**	**972.1**

4 Expenses

For the six months ended	31 Dec 23	31 Dec 22
	$m	$m
Service fee expense	237.7	259.1
Other direct costs	25.0	28.4
Service fees and other direct costs	**262.7**	**287.5**
Salaries and related employee expenses (excluding superannuation)	326.3	335.6
Employee defined contribution plan expense	30.2	26.4
Share-based payments expense	2.2	1.9
Salaries and related employee expenses	**358.7**	**363.9**
Information technology costs	88.7	76.4
Information technology costs	**88.7**	**76.4**
Transformation and separation costs	111.7	66.3
Transformation and integration costs	**111.7**	**66.3**
Depreciation of property and equipment	20.2	21.1
Amortisation of intangible assets	41.3	42.1
Amortisation and depreciation expenses	**61.5**	**63.2**
Professional fees	27.5	27.0
Office support and administration	30.0	31.5
Occupancy related expenses	6.5	7.4
Marketing	3.0	7.6
Travel and entertainment	3.3	3.8
Administrative expenses	**70.3**	**77.3**
Remediation costs	64.5	17.9
Remediation costs	**64.5**	**17.9**
Other	2.5	2.0
Other expenses	**2.5**	**2.0**
Total expenses	**1,020.6**	**954.5**

Notes to the financial statements

For the six months ended 31 December 2023

5 Income taxes

Income taxes

For the six months ended	31 Dec 2023		31 Dec 2022	
	%	$m	%	$m
Reconciliation of effective tax rate				
Loss before tax and statutory funds from continuing operations		(64.4)		(5.4)
Income tax benefit at 30%	30.0	(19.3)	30.0	(1.6)
Adjustments for tax effect of:				
Non-assessable income/non-deductible expenses from statutory funds		0.2		0.4
Non-deductible expenses/(non-assessable income)		0.2		(1.9)
Taxable gain on disposal of associate		-		1.7
Impairment of investments		-		0.4
Non-assessable income from share of profits of associates		(0.9)		(1.4)
Assessable associate dividends		1.0		1.9
Imputation and foreign tax credits		(0.6)		(0.9)
Foreign tax rate differential		(1.0)		(0.9)
Gain on disposal of subsidiaries		6.8		-
Other		(0.9)		(0.6)
Under/(over) provided in prior periods		-		0.8
Income tax benefit (excluding statutory funds)	**22.5**	**(14.5)**	**38.9**	**(2.1)**

Deferred tax assets and liabilities

	31 Dec 23	30 Jun 23
	$m	$m
Deferred tax assets		
Salaries and related employee expenses	45.9	59.2
Provisions, accruals and creditors	46.7	55.2
Carry forward capital and revenue losses	13.8	13.8
Lease liability	41.8	46.3
Other	5.5	8.5
Deferred tax assets	**153.7**	**183.0**
Offset against deferred tax liabilities	(153.7)	(183.0)
Net deferred tax assets	**-**	**-**
Deferred tax liabilities		
Unrealised gains	7.0	7.2
Customer relationships	171.5	180.9
Property and equipment	33.7	40.3
Other	3.7	5.7
Deferred tax liabilities	**215.9**	**234.1**
Offset against deferred tax assets	(153.7)	(183.0)
Net deferred tax liabilities	**62.2**	**51.1**

Notes to the financial statements

For the six months ended 31 December 2023

6 Dividends

Subsequent to 31 December 2023, the following dividends were declared by the directors. The dividends have not been provided for at 31 December 2023.

	Cents per share	Total	Date of payment	Franking
		$m		
Interim 2024 dividend	9.3	62.0	3 April 2024	Not franked

Dividend amounts shown are inclusive of any dividends paid on treasury shares.

Dividends paid

	Cents per share	Total	Date of payment	Franking
		$m		
Final 2023 dividend	9.3	61.6	3 October 2023	Not franked
Interim 2022 ordinary dividend	9.3	61.2	3 April 2023	50% franked
Interim 2022 special dividend	1.2	7.9	3 April 2023	50% franked

Dividend reinvestment plan

The Company operates a dividend reinvestment plan (DRP) which allows eligible shareholders to elect to reinvest part or all of their dividend into additional shares in the Company.

Dividend	Issue date	Number of shares issued	DRP issue price	DRP value	Discount	DRP take up rate
			$	$m		
Final 2023 dividend	10 October 2023	4,028,511	2.417	9.7	1.5%	16.0%
Interim 2023 dividend	12 April 2023	4,179,545	2.802	11.7	1.5%	17.2%

Dividend franking account

	31 Dec 2023	30 Jun 2023
	$m	$m
Franking account balance	6.9	5.2

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. Dividends declared after the balance date has no impact on the dividend franking account.

Notes to the financial statements

For the six months ended 31 December 2023

7 Earnings per share

For the six months ended	31 Dec 23	31 Dec 22
	Cents per share	Cents per share
Basic earnings per share		
From continuing operations	(7.5)	(0.5)
From discontinued operations	-	7.4
Total basic earnings per share	**(7.5)**	**6.9**
Diluted earnings per share		
From continuing operations	(7.5)	(0.5)
From discontinued operations	-	7.4
Total diluted earnings per share	**(7.5)**	**6.9**

Basic and diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

For the six months ended	31 Dec 23	31 Dec 22
	$m	$m
(Loss)/profit attributable to the shareholders of Insignia Financial Ltd	(49.9)	45.2
Earnings used in the calculation of basic and diluted EPS	**(49.9)**	**45.2**
Profit from discontinued operations	-	48.4
Earnings used in the calculation of basic and diluted EPS from continuing operations	(49.9)	(3.2)

For the six months ended	31 Dec 23	31 Dec 22
	No. m	No. m
Weighted average number of ordinary shares (basic)	664.4	655.4
Weighted average number of ordinary shares (diluted)	664.4	655.4

Notes to the financial statements

For the six months ended 31 December 2023

Section 3 - Operating assets and liabilities

This section shows the assets used to generate the Group's operating performance and the liabilities incurred as a result. Liabilities relating to the Group's financing activities are addressed in Section 4.

8 Cash and cash equivalents

	31 Dec 23	30 Jun 23
	$m	$m
Cash	345.6	399.5
Cash - restricted as part of ORFR*	102.7	106.1
Total cash	**448.3**	**505.6**

* Held as part of the operational risk financial requirement (ORFR) on behalf of superannuation funds. The ORFR is not available for distribution to the shareholders of the Company.

9 Receivables

	31 Dec 23	30 Jun 23
	$m	$m
Trade receivables (net of provisions)	105.8	97.5
Other receivables	167.6	170.8
Security bonds	0.5	0.4
Total receivables	**273.9**	**268.7**

10 Other financial assets

	31 Dec 23	30 Jun 23
	$m	$m
Financial assets mandatorily measured at fair value through profit or loss		
Fixed income*	292.8	278.5
Derivative assets**	0.3	0.4
Unlisted unit trusts	2.2	1.3
Financial assets designated at fair value through profit or loss		
Deferred sales consideration	2.0	-
Financial assets designated at fair value through other comprehensive income		
Equity investments	-	2.1
Total other financial assets	**297.3**	**282.3**

* Held as part of the ORFR on behalf of superannuation funds. The ORFR is not available for distribution to shareholders of the Company.
**Includes nil (30 June 2023 $0.4m) derivative assets held as part of the ORFR.

Notes to the financial statements

For the six months ended 31 December 2023

11 Property and equipment

	31 Dec 23	30 Jun 23
	$m	$m
Cost	304.0	329.2
Accumulated depreciation	(179.7)	(183.2)
	124.3	**146.0**

	Office equipment	Leasehold improve-ments	IT assets	Right-of-use assets	Total
	$m	$m	$m	$m	$m
Balance at 1 July 2023	3.8	7.0	22.9	112.3	146.0
Additions	0.3	0.3	-	0.2	0.8
Depreciation expense	(0.5)	(0.8)	(5.8)	(15.2)	(22.3)
Reclassification to held for sale	-	-	-	(0.2)	(0.2)
Balance at 31 December 2023	**3.6**	**6.5**	**17.1**	**97.1**	**124.3**

12 Intangible assets

	31 Dec 23	30 Jun 23
	$m	$m
Cost	3,251.0	3,333.8
Accumulated amortisation	(788.9)	(830.4)
	2,462.1	**2,503.4**

	Goodwill	Software and IT development	Customer relationships	Brand names	Other intangibles	Total
	$m	$m	$m	$m	$m	$m
As at 1 July 2023	1,779.8	40.9	501.2	166.4	15.1	2,503.4
Amortisation expense	-	(9.8)	(30.1)	(0.2)	(1.2)	(41.3)
As at 31 December 2023	**1,779.8**	**31.1**	**471.1**	**166.2**	**13.9**	**2,462.1**

CGU impairment testing

The carrying amount of CGUs is tested for impairment annually or when there is an indication of impairment. All CGUs were tested for impairment as at 30 June 2023 and the key assumptions used to determine the recoverable amount for the CGUs were disclosed in the annual consolidated financial statements for the year ended 30 June 2023.

As at 31 December 2023, there were no indicators for impairment of any of the CGUs and management has not updated any of the impairment calculations.

Notes to the financial statements

For the six months ended 31 December 2023

13 Payables

	31 Dec 23	30 Jun 23
	$m	$m
Payables	179.8	195.8
Total payables	**179.8**	**195.8**

14 Other financial liabilities

	31 Dec 23	30 Jun 23
	$m	$m
Financial liabilities mandatorily measured at fair value through profit or loss		
Deferred purchase consideration	0.1	0.1
Derivative liabilities*	14.2	20.0
Total other financial liabilities	**14.3**	**20.1**

*Includes $1.2m (30 June 2023: nil) derivative liabilities held as part of the ORFR.

15 Provisions

	31 Dec 23	30 Jun 23
	$m	$m
Employee entitlements	155.1	203.0
Advice remediation provisions	52.6	69.4
Product remediation provisions	80.7	80.5
Other provisions	3.4	12.3
	291.8	**365.2**

	Employee entitlements	Advice remediation	Product remediation	Other provisions	Total
	$m	$m	$m	$m	$m
Balance at 1 July 2023	203.0	69.4	80.5	12.3	365.2
Provisions made/(reversed)	46.1	35.5	37.1	(0.3)	118.4
Provisions utilised	(93.8)	(52.3)	(36.9)	(8.6)	(191.6)
Reclassified to held for sale	(0.2)	-	-	-	(0.2)
Balance at 31 December 2023	**155.1**	**52.6**	**80.7**	**3.4**	**291.8**

Advice remediation provisions

The Insignia Financial Group has engaged an expert consultant to design the review methodology and estimate financial compensation relating to client remediation. This was in response to ASIC's investigation as part of its Wealth Management Project, conducting investigations into financial advice fees paid pursuant to ongoing service arrangements.

While the Insignia Financial Group was not issued a notice under this review, the Group has a significant number of self-employed and salaried financial advisers and is undertaking its own review.

The review determines whether fee paying clients under its licenses were:

- provided with agreed services and/or advice;
- supported with documentation evidencing appropriate provision of service and/or advice; and
- received advice appropriate to their circumstances.

Where client compensation is probable and able to be reliably estimated, provisions are raised. Compensation costs include return of service fees, estimated client loss as a result of inappropriate advice, interest for time value of money at ASIC's expected rate of RBA cash rate + 6% and committed costs to resource the compensation program. The provision is reduced by client remediation payments and program costs paid.

Notes to the financial statements

For the six months ended 31 December 2023

15 Provisions (continued)

Product remediation provisions

Product remediation provisions includes remediation projects acquired as part of historic acquisitions.

Product remediation provisions are reduced by client remediation payments and program costs paid.

Other provisions

Other provisions have been made for the present value of management’s best estimates of legal settlements and other matters. The information usually required by AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it may prejudice the outcome of certain other litigation.

Estimation uncertainty

Determining the amount of a provision, which represents management's best estimate of the costs of settling the identified matters, requires the exercise of significant judgement. It will often be necessary to form a view on a number of different assumptions, including the number of impacted clients, the average refund per client, and associated remediation costs. Consequently, the appropriateness of the underlying assumptions is reviewed on a regular basis against actual experience and other relevant evidence, and adjustments are made to the provisions where appropriate.

Notes to the financial statements

For the six months ended 31 December 2023

Section 4 - Capital management and financing

This section outlines how the Group manages its capital structure and related financing costs, including its balance sheet liquidity and access to capital markets.

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders, and to maintain an optimal structure to reduce the cost of capital.

16 Borrowings

The Group's interest-bearing liabilities are measured at amortised cost. Embedded derivatives associated with the subordinated loan notes are measured at fair value and are included in other financial liabilities.

	31 Dec 23	30 Jun 23
	$m	$m
Syndicated facility agreement	672.2	586.0
Subordinated loan notes	190.2	189.6
Total borrowings	**862.4**	**775.6**

	SFAs	SLNs	Total
	$m	$m	$m
Opening balance 1 July 2023	586.0	189.6	775.6
Repayments (principal and interests)	(56.3)	(1.0)	(57.3)
Drawdowns	121.0	-	121.0
Interest expense	21.5	1.6	23.1
Closing balance 31 December 2023	**672.2**	**190.2**	**862.4**

Syndicated Facility Agreement (SFA)

At 31 December 2023, the SFA is comprised of the following facilities:

- a 3-year $340m revolving credit facility expiring 16 August 2025. During the period, the Group made $23.0m drawdown under this facility and made no principal repayment. As at 31 December 2023, this facility was fully utilised (30 June 2023: $23.0m available);
- a 4-year $290m revolving credit facility expiring 16 August 2026. During the period, the Group made $98.0m drawdown under this facility and made $36.0m principal repayment. As at 31 December 2023, $228.0m of this facility was available (30 June 2023: $290.0m available);
- a 4-year $270m term loan expiring 16 August 2026. During the period, the Group made no drawdown or repayment under this facility. As at 31 December 2023, this facility was fully utilised (30 June 2023: fully utilised); and
- a 3-year $55m multi-option facility expiring 16 August 2025. As at 31 December 2023, $17.8m of this facility was available (30 June 2023: $12.0m available). Utilisation of this facility is in the form of rental bond guarantees and AFSL guarantees included in Note 19 *Commitments and contingent liabilities*.

Subordinated loan notes (SLNs)

SLNs are unsecured subordinated debt obligations issued by the Insignia Financial Group. For financial reporting purposes, these SLNs contain a host contract of $190.2m (30 June 2023: $189.6m) and a compound embedded derivative liability of $3.6m (30 June 2023: $9.4m liability) that is recognised separately.

The host contract is initially recognised at fair value and subsequently measured at amortised cost, and it will accrete to the face value of the notes ($200m) using the effective interest rate by redemption date.

The compound embedded derivative is measured at fair value and is included in other financial liabilities.

Notes to the financial statements

For the six months ended 31 December 2023

17 Share capital

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

	31 Dec 23	30 Jun 23
	$m	$m
666,626,753 fully paid ordinary shares (30 June 2023: 662,598,242)	3,052.5	3,043.3
2,286,292 treasury shares (30 June 2023: 1,979,317)	(7.1)	(7.2)
	3,045.4	3,036.1

For the six months ended	31 December 2023	
	No.m	$m
Ordinary shares		
On issue at 1 July 2023	662.6	3,043.3
Issue of shares pursuant to dividend reinvestment plan	4.0	9.7
Transfer from employee equity-settled benefits reserve on exercise of performance rights	-	0.6
Treasury shares transferred to recipients	-	(1.2)
On issue at 31 December 2023	**666.6**	**3,052.4**
Treasury shares		
On issue at 1 July 2023	(2.0)	(7.2)
Purchase of treasury shares	(0.5)	(1.0)
Treasury shares transferred to recipients	0.2	1.2
On issue at 31 December 2023	**(2.3)**	**(7.0)**
	664.3	3,045.4

18 Reserves

	31 Dec 23	30 Jun 23
	$m	$m
Equity investment revaluation reserve	-	1.5
Business combinations reserve	(0.3)	(0.3)
Foreign currency translation reserve	0.7	0.9
Share-based payments reserve	3.8	2.5
	4.2	4.6

19 Commitments, contingent assets and contingent liabilities

Commitments

	31 Dec 23	30 Jun 23
	$m	$m
Rental bond guarantees	33.6	39.4
AFSL guarantee	6.0	6.0
Capital commitment	5.0	5.1
Other guarantees	0.1	0.1

Contingent assets

Contingent assets of the Group exist in relation to insurance recoveries and/or possible claims which at the date of signing these accounts, have not yet been resolved. It is not practicable to estimate the financial effects of the contingent assets. Receivables are recognised in respect of identified claims only when recovery is considered virtually certain.

Notes to the financial statements

For the six months ended 31 December 2023

19 Commitments, contingent assets and contingent liabilities (continued)

Contingent liabilities

Contingent liabilities of the Group exist in relation to claims and/or possible claims against the Group which, at the date of signing these accounts, have not been resolved. The Group has assessed the recoverability of identified claims on a claim-by-claim basis and has raised specific provisions where appropriate. The Group does not consider that the outcome of any other current proceedings, either individually or in aggregate, is likely to materially affect its operations or financial position.

Buyer of Last Resort Facility

One subsidiary of the Group has contractual agreements with its planners to provide a put option "Buyer of Last Resort Facility" should a planner wish to sell their business on the satisfaction of certain specific requirements. The terms and conditions provide that where the specific requirements have been met, a predetermined purchase price will be payable for the business as agreed by all parties over a predetermined period. Where certain terms and conditions have not been met, the predetermined purchase price will be discounted accordingly.

As at 31 December 2023, the Group had not received any requests from planners which satisfied requirements to exercise its obligation. The resale value of such businesses purchased may differ from the cost to the Group. Where confirmation notices have been received, the Group has a fixed obligation to purchase the businesses at market value. The aggregate value of this fixed obligation is $nil (30 June 2023: $ nil). The remaining obligation is not expected to be material.

Class Actions and regulatory actions

Contingent liabilities of the Group exist in relation to claims and/or possible claims which, at the date of signing these accounts, have not been resolved. The Group is defending the following matters:

- a class action against OPC (and two companies outside the Insignia Financial Group) in the Federal Court in relation to alleged breaches of trustee obligations regarding the investment of cash investment option funds and the charging of fees relating to commissions;
- a class action against NULIS Nominees (Australia) Limited (NULIS) in the Federal Court in relation to alleged breaches of trustee obligations in deciding to grandfather commissions;
- a class action against NULIS and MLC Nominees Pty Ltd (MLC Nominees) in the Victorian Supreme Court in relation to alleged breaches of trustee obligations regarding the timing of transfers of accrued default amounts to the MySuper product; and
- an action by the Finance Sector Union against NAB and MLC Wealth Limited (MLCW) in the Federal Court alleging the defendants had breached provisions of the *Fair Work Act* in respect of four "group 3" and "group 4" employees (3 NAB employees and 1 MLCW employee).

While NULIS and MLC Nominees were acquired from NAB on 31 May 2021, subject to terms, NAB remains liable for, and retains conduct of, the second and third of those actions outlined above pursuant to the terms agreed between NAB and the Company. An assessment of the likely loss to the Company and its controlled entities has been made in respect of the identified claims, on a claim-by-claim basis, and specific provision is made where appropriate.

During the period, the Federal Court of Australia ruled in favour of the Company in the matter of *McFarlane as Trustee for the S McFarlane Super Fund v Insignia Financial*, a shareholder class action being run by Shine lawyers. The judge dismissed the applicants claim.

Based on the current information available, the Group does not consider that the outcome of any other current proceedings, either individually or in aggregate, is likely to materially affect its operations or financial position.

Other remediation matters

There are a number of remediation matters under investigation. The potential outcomes and total costs associated with these matters remain uncertain.

Notes to the financial statements

For the six months ended 31 December 2023

Section 5 – Other disclosures

20 Financial value of assets and liabilities

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets is the closing price. Where no quoted prices in an active market exist, the Group uses valuation techniques to estimate the fair value of financial assets and liabilities.

Fair value of the compound embedded derivative contained in the SLNs at *Note 16 Borrowings* is determined using a MonteCarlo simulation to simulate different scenarios of the underlying equity prices.

For investments in fixed income and derivatives where no quoted prices in an active market exist, valuation techniques using observable market inputs for financial assets with similar credit risk, maturity and yield characteristics are used.

Units in unlisted trusts are measured at the redemption price.

Fair value hierarchy

The definitions of each level and the valuation techniques used are as follows:

Level 1: quoted closing prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (that is, prices) or indirectly (that is, derived from prices). Fair values are derived from published market indices and include adjustments to take account of the credit risk of the Group entity and counterparty.

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

	Level 1	Level 2	Level 3	Total
31 Dec 23	$m	$m	$m	$m
Financial assets measured at fair value				
Fixed income	-	292.8	-	292.8
Derivatives	-	0.3	-	0.3
Unlisted unit trusts	-	2.2	-	2.2
Deferred sales consideration	-	-	2.0	2.0
Financial assets measured at fair value	**-**	**295.3**	**2.0**	**297.3**
Financial liabilities measured at fair value				
Derivatives	1.7	11.7	0.8	14.2
Deferred purchase consideration	-	-	0.1	0.1
Financial liabilities measured at fair value	**1.7**	**11.7**	**0.9**	**14.3**
30 Jun 23				
Financial assets measured at fair value				
Fixed income	-	278.5	-	278.5
Derivatives	0.2	0.2	-	0.4
Unlisted unit trusts	-	1.3	-	1.3
Fair value through other comprehensive income	2.1	-	-	2.1
Financial assets measured at fair value	**2.3**	**280.0**	**-**	**282.3**
Financial liabilities measured at fair value				
Derivatives	-	18.5	1.5	20.0
Deferred purchase consideration	-	-	0.1	0.1
Financial liabilities measured at fair value	**-**	**18.5**	**1.6**	**20.1**

There were no transfers between levels of the fair value hierarchy during the six months ended 31 December 2023 (31 December 2022: $nil).

Notes to the financial statements

For the six months ended 31 December 2023

20 Financial value of assets and liabilities (continued)

Level 3 financial assets and liabilities

Reconciliation of movements in level 3 financial instruments assets/(liabilities)	Deferred sales consideration assets	Deferred purchase consideration (liabilities)	Issued investment protection derivatives (liabilities)
	$m	$m	$m
Opening balance as at 1 July 2023	-	(0.1)	(1.5)
Recognised from businesses sold	2.0	-	-
Fair value movement	-	-	0.7
Closing balance as at 31 December 2023	**2.0**	**(0.1)**	**(0.8)**

Level 3 financial instruments consist of the following:

- Deferred sales consideration assets relate to the businesses sold by the Group. It is valued at the best estimate of amounts receivable under the relevant contracts. The amount of deferred consideration receivable is linked to the funds under management of the sold businesses at a future date which is an unobservable input.
- Deferred purchase consideration liabilities relate to client lists purchased by the Group. It is valued at the best estimate of amounts payable under the relevant contracts. The amount of deferred consideration payable is linked to the retention of clients which is an unobservable input.
- Issued investment protection derivative liabilities are term-based investment protection products issued by the Insignia Financial Group. These products provide protection to investors' capital or a minimum level of income each year for a term of 10 or 20 years. These derivatives are measured using market standard valuation models and assumptions. Significant unobservable inputs include the underlying investments' growth rate and the risk-free interest rate assumptions.
  A 1% (-1%) increase (decrease) in the underlying investments' growth rate assumption would result in a decrease (increase) in fair value by $0.1m (30 June 2023: $0.3m), holding all other variables constant. A 1% (-1%) increase (decrease) in the risk-free interest rate assumption would result in a decrease (increase) in fair value by $1.1m (30 June 2023: $1.0m), holding all other variables constant.

Notes to the financial statements

For the six months ended 31 December 2023

21 Statutory funds

On 31 October 2023, the Group completed the sale of its friendly society investment bond business to Australian Unity Ltd through the divestment of IOOF Ltd. The below table represents the contribution of the statutory funds to the Group during the period of ownership.

	31 Dec 23	31 Dec 22
Statutory funds contribution to profit or loss	**$m**	**$m**
Statutory funds revenue		
Interest income	0.9	0.9
Dividends and distributions received	4.8	9.8
Net fair value (losses)/gains on financial assets measured as fair value	(33.3)	39.2
Investment contracts with Discretionary Participation Features (DPF)		
Contributions received - investment contracts with DPF	0.7	1.3
Decrease in DPF policyholder liability	3.2	6.7
Decrease/(increase) in non-DPF policyholder liability	21.4	(31.7)
Other fee revenue	0.7	1.1
Total statutory funds revenue	(1.6)	27.3
Statutory funds expenses		
Service and marketing fees expense	2.6	4.0
Investment contracts with DPF		
Benefits and withdrawals paid	5.6	9.4
Interest	0.1	0.1
Total statutory funds expenses	8.3	13.5
Income tax (benefit)/expense	(9.9)	13.8
Statutory funds contribution to profit or loss	-	-

22 Subsequent events

On 8 February 2024, the Company announced that Scott Hartley has been appointed as the Chief Executive Officer and Executive Director of Insignia Financial Ltd effective 1 March 2024.

The Directors have declared the payment of an interim dividend of 9.3 cents per share, unfranked, to be paid on 3 April 2024.

The Directors are not aware of any other matter or circumstance not otherwise dealt with in this report, or the accompanying financial statements and notes thereto, that has arisen since 31 December 2023 that has significantly affected, or may significantly affect:

- the Group's operations in future financial periods; or
- the results of those operations in future financial periods; or
- the Group's state of affairs in future financial periods.

Directors' Declaration

For the six months ended 31 December 2023

In the opinion of the Directors of the Company:

a. the condensed consolidated interim financial statements and notes set out on pages 27 to 47 are in accordance with the *Corporations Act 2001* including:
   i. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the six months ended on that date; and
   ii. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

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

Signed in accordance with a resolution of the Directors:

Mr Allan Griffiths

Chairman

Melbourne

22 February 2024

KPMG

Independent Auditor's Review Report

To the shareholders of Insignia Financial Ltd

Report on the Condensed Interim Financial Report

Conclusion

We have reviewed the accompanying Condensed Interim Financial Report of Insignia Financial Ltd.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Interim Financial Report of Insignia Financial Ltd does not comply with the *Corporations Act 2001*, including:

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

The Condensed Interim Financial Report comprises:

- Condensed Consolidated Statement of Financial Position as at 31 December 2023.
- Condensed Consolidated Statement of Comprehensive income, Condensed Consolidated Statement of Changes in Equity and Condensed Consolidated Statement of Cash Flows for the six months ended on that date
- Notes 1 to 22 including selected explanatory notes
- The Directors' Declaration.

The ***Group*** comprises Insignia Financial Ltd (the Company) and the entities it controlled at the six months ended 31 December 2023.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Condensed Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Condensed Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Condensed Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Condensed Interim Financial Report

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

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

KPMG

KPMG

Dean Waters
Partner

Melbourne
22 February 2024