6 November 2013

The Manager
Companies Announcement Office
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam,

**CLEARVIEW WEALTH LIMITED 2013 ANNUAL GENERAL MEETING ADDRESSES TO SHAREHOLDERS**

ClearView Wealth Limited (ClearView, ASX:CVW) will address shareholders today at its Annual General Meeting to be held at 10am in the Heritage Room, Intercontinental Hotel, 117 Macquarie Street, Sydney, New South Wales.

Attached is a copy of the Chairman's address, Managing Director's address and Managing Director's presentation.

For further information, please contact:

Chris Robson
General Counsel and Company Secretary
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chris.robson@clearview.com.au

**About ClearView Wealth Limited**
ClearView Wealth Limited is a diversified Australian financial services company with businesses that provide integrated life insurance, wealth management and financial planning solutions.

Additional information is available at www.clearview.com.au

# ClearView Wealth Limited 2013 Annual General Meeting

## Addresses to Shareholders

6 November 2013

## Dr Gary Weiss, Chairman – ClearView Wealth Limited

This is my first opportunity to address you as Chairman of ClearView, following my appointment to that position on 1 July 2013.

I am pleased to report that in the financial year to 30 June 2013 ClearView has continued its strong growth momentum - despite challenges in our operating environment as well as contending with the implementation of significant regulatory changes impacting both the industry and ClearView's business, as well as the distraction of a takeover early in the financial year.

ClearView is currently in an investment phase that it expects will create material shareholder value in the medium term. The Board is supportive of the current strategy and is pleased with the growth that has been achieved to date. This momentum has continued into the new financial year. Simon will discuss the performance of the business and its outlook shortly.

### Takeover and Board Changes

In July 2012, ClearView received a takeover offer from CCP Bidco, a consortium of investors including Crescent Capital. To ensure all shareholders were treated equally and to facilitate the introduction of a new shareholder that was committed and able to fund the Company's anticipated growth, the ClearView Board declared, in addition to the FY 2012 1.8 cents dividend, a special dividend of 2.2 cents per share. Subsequently, ClearView's major shareholder at the time, GPG plc, and a number of other significant shareholders resolved to exit their investment in the Company. Our new shareholders bring with them extensive experience in the financial services industry, in particular life insurance and wealth management and a strong commitment to support the management team and execution of the agreed strategy for growth.

In its takeover offer documents, CCP Bidco indicated that it would, subject to APRA regulations, exercise its right as a majority shareholder to replace non-executive members of the ClearView Board with individuals it nominated. As outlined at last year's meeting there was a transition to the new Board. This process completed on 1 July 2013.

I would like to thank Ray Kellerman for his efforts as a Director and Chairman since 2007, during the formative years of ClearView. Under his stewardship the Company achieved material initial growth in a difficult market and is now well placed to take advantage of the opportunities before it. I would also like to thank all the previous Directors for their strategic guidance and oversight together with the commitment and support they provided to the ClearView Board.

Shareholders will today have the opportunity to hear from the Directors standing for election prior to voting on their appointment. Their skills and experience complement the Board's extensive experience in the life insurance and wealth management industries. The expertise of the Board, when combined with ClearView's executive team experience and expertise, will help drive the Company's growth and strategic development to the benefit of our customers, partners and shareholders.

### Dividends and Capital Management

The Directors have declared a fully franked dividend in respect of 2013 of $8.2 million. This equates to 1.8 cents per share and represents approximately 50% of the 2013 underlying net profit after tax. It is in line with the Company's revised dividend policy.

No interim dividend was paid during the year. While a special dividend of $9.8 million was paid during FY 2013, no further special dividends are anticipated.

ClearView was not materially impacted by the new regulatory capital regime APRA and ASIC introduced for life insurers, superannuation entities and responsible entities in the financial year. Surplus capital above regulatory requirements plus internal benchmarks at 30 June 2013 was $12 million across the Group. Internal benchmarks include the establishment of a working capital reserve of $28 million as at 30 June 2013 to fund anticipated new business growth over the medium term.

As evidenced by our new business sales momentum, ClearView is experiencing strong growth, particularly in life insurance. It is encouraging to see ClearView enter a new stage in the Company's development as reflected by the current growth in the business. It is pleasing to report that this growth has continued into the first quarter of the new financial year. If the rate of new life sales materially increases there is the potential that new business growth will exceed the levels currently provided for and require additional capital in the second half of the current financial year.

Given the strong growth trajectory of our life insurance business and the capital support it requires, the Board decided to reinstate the Dividend Reinvestment Plan (DRP), which was fully underwritten for the recent dividend payment. This approach ensures ClearView's capital is fully retained and preserved to facilitate growth notwithstanding the payment of dividends to shareholders. The recent dividend payment was completed on 8 October 2013 with just over 14 million shares issued under the underwritten DRP. The net effect of this has been that the net capital position of ClearView was not significantly impacted by the dividend payment.

Given this approach to the management of dividends, the Board also decided:

- To increase the target payout ratio to between 40% and 60% of underlying net profit after tax to more closely align ClearView to its peers; and
- To provide further, transparent communication to the market around Embedded Value (EV) and the Value of New Business (VNB) estimation and its relationship to the prevailing share price to help inform the market on ClearView's value.

Beyond these decisions, the Board continues to consider:

- Implementing an interim dividend payment in future periods to further align to peers and market expectations. Nonetheless, the ability to pay a franked interim dividend is limited by the availability of franking credits and the short term effects of changes in long term discount rates used to determine the insurance policy liabilities on the tax paid by the Group.
- The Board is also considering the establishment of a liquidity facility through an on market buyback when considered to be in the best interests of shareholders.

## Conclusion

ClearView will continue to follow our near term strategic focus of building on the sales growth of LifeSolutions, continuing to recruit experienced financial advisers, establishing more distribution agreements with independent financial advisers and strategic partners, refining our Wealth and related product offerings and continuing to invest significantly in our Direct life insurance business, systems and people.

Our new shareholders have been supportive of the Company's strategy and believe in the Company's potential. This is a group of investors who not only have extensive and relevant experience in the segments in which ClearView operates but who also advise that they have access to the capital that a fast growing life insurance and wealth business requires.

ClearView is in a strong position to continue to build on the foundations we have put in place so as to grow shareholder value.

I will hand the podium over to Simon Swanson, our Managing Director, who will discuss the Company's performance and prospects.

## Mr Simon Swanson, Managing Director – ClearView Wealth Limited

Thank you Gary. Good morning everyone.

I am delighted to have this opportunity to review our financial year 2013 results and provide you with an update of our progress.

We have achieved a lot in this business over the last 12 months. We have set up the foundations for a period of strong growth and I would like to highlight some of the key activities:

- We have put in place an organisational structure and management team that better aligns with our business strategy;
- We have built out our distribution in the adviser channel with a focus on attracting the best quality risk advisers in the country – we are now extending our reach to Wealth advisers;
- We have continued to improve our product offering in response to feedback from advisers and to better meet the needs of consumers;
- We have invested in systems and processes to improve the efficiency of our organisation, the level of support we offer our advisers, and to support the continued growth of ClearView; and
- We have started to invest in improving our Direct sales capability and the way in which we work with our strategic partners.

We believe we are now at an exciting inflection point in the ClearView growth story.

### Building for Profitable Growth

For context, you may recall ClearView was formed in June 2010 through the acquisition of the life insurance and wealth management businesses of Bupa. In just over 3 years we have transformed a solid base into a platform for growth and now into a challenger brand in the life insurance and wealth management industry.

The life insurance and wealth management industry has experienced significant volatility in results in the last few years. Before and since the formation of ClearView, we have been very focused on the sound, profitable segments of the industry.

In acquiring the ClearView businesses we were very specific in what we were looking for:

- A clean platform for growth into long term sound, profitable industry segments.
- Little or no exposure to poor performing industry segments such as group life and portfolios of historic income protection. We were concerned with the recent profitability of these segments of the life insurance industry and their outlook.
- Little or no traditional "capital guaranteed" products with large asset/liability mismatches. We were concerned about the capital and implicit costs of these guarantees.
- Little or no administration and product legacy. This has been an achilles heel of the industry for many years with companies grid locked with legacy systems and struggling with legacy products and their pricing (some of the recent industry income protection and lapse issues seem to also link back to this).

The Bupa businesses had none of these exposures or attributes that most of the rest of the industry does.

In the last few years the life insurance industry has been significantly impacted by poor performance in group life insurance and underwhelming performance in income protection.

- To date we have been clear that we believe that the group life insurance market has not been appropriately priced and there would be no point in participating in this segment. As such, we have had no exposure to the recent large industry losses reported and significant premium rate increases. We think there is some significant change still to come and needed before we would even contemplate this segment.
- We remain concerned about income protection, particularly the old, historic portfolios written pre GFC on old policy terms and high sums insured beyond current income levels. Consequently, when looking to re-enter the market we were keen to find a vehicle that had very limited exposure to in force income protection. ClearView's direct portfolio has under 1% exposure to old income protection policies. In entering this business segment for new business, we have not sought to lead market pricing and indeed are looking to follow the market as anticipated price increases and more sustainable pricing flow through the industry.

Our strategy of focusing on the profitable segments has so far been vindicated.

In wealth management we have maintained conservative investment settings – limiting our customers' participation in the "downside" but retaining sufficient "upside" exposure – while staying true to label and aligned to our customers' assessment of their risk appetite.

The significant growth that ClearView is experiencing provides tangible evidence of the attractiveness of our products and services which have expanded our market reach. These new products and services have enabled ClearView to penetrate the broader financial adviser market, improve the product and service offering for ClearView financial advisers, grow our financial advice and Dealer Group business, and significantly broaden our exposure to the wealth management and life insurance markets.

ClearView has laid the foundations for profitable growth and remains well positioned to benefit from growth in life insurance sales and wealth Funds Under Management (FUM) inflows. It is encouraging to see ClearView enter a stage in its development whereby strong, profitable growth is becoming the norm. It is pleasing to report that this strong profitable growth continues in the new financial year.

That said, I need to remind shareholders that the growth of life insurance and wealth business, which involves acquiring long term cash-generating business, takes time to progressively flow through to and build profits. They are also capital intensive and are best measured through Embedded Value (EV) and Appraisal Value (AV).

## 2013 Highlights – Recap of Results

Overall we were pleased with our 2013 results and with the positive momentum continuing into the new financial year.

Our life insurance new business sales reflect the stepped change in both our distribution footprint and the growth profile of the business. Our wealth management business has experienced improved net flows and benefited from the positive movements in investment markets over the period.

In force premiums have increased 41% year-over-year to $62 million. Growth has been driven by the launch of LifeSolutions and the related execution of our distribution strategy. New business premium in the year was $19.4 million up 273%.

In terms of FUM, they grew 11% to $1.53 billion due to net inflows to WealthSolutions, our wealth wrap platform launched in Dec 2011, and positive investment returns from improved investment markets.

Given the timing of new business and the way it is accounted for under the Accounting Standards, these sales did not substantially contribute to the FY 2013 profit. We have also continued our investment in the business for profitable growth and future revenue flow and profit recognition.

Despite our growth in the year, underlying profit after tax was down 17% compared to the previous year. The most significant reason for the reduction in profit is adverse term life claims volatility (and reinsurance recoveries) which led to an experience loss of $1.9 million in the FY 2013. In FY 2012 we had experience gains of $2.9 million. Therefore there was an overall $4.8 million variance to the prior year period. Effectively, in FY 2012, 10 people less than plan claimed whereas in FY 2013, 6 people more than plan claimed. Given the current small size of the term life insurance portfolio and the reinsurance arrangements for the pre 2011 business, material claims volatility from period to period is to be expected. The claims experience has not been attributable to industry issues associated with income protection claims as the vast majority (i.e. greater than 99 per cent) of the pre-2011 portfolio is made up of term life insurance. We have seen, as alluded to earlier, an improvement in claims experience in the first quarter of the new financial year, more in-line with longer term assumptions but again, as noted above, material claims volatility can occur period to period.

Life insurance and wealth management are long term businesses that involve long term contracts with customers and complex accounting treatments. ClearView uses EV calculations as a key measure to assess the performance of the business from period to period. We made a number of changes and enhancements to our EV disclosures during the year, including providing results at a range of discount rate margins over risk free.

The EV measured at a 4% discount rate margin over risk free has increased to $291 million or 69.5 cents per share at 30 June 2013 (or to $338 million after the allowance for imputation credits or 79.8 cents per share).

The EV excludes the value of any future growth potential; it is based on the in force portfolios as at 30 June 2013. The increase in the EV benefited from the strong in force life premium growth and positive FUM increase driven by investment markets. In the medium term the increase in EV will be negatively impacted by the current expense overruns – that is, unit costs running higher than long term targets - as a result of the material costs incurred during the ramp up of the business, its infrastructure development and growth over the period. These overruns should reduce as scale is achieved over the medium term.

What this means is that we have invested in our business in terms of systems, processes and people to support the future growth of ClearView. The cost base is therefore greater than it needs to be to support the existing level of business. However, as we continue to grow we already have the infrastructure in place to accommodate this growth and our profitability will improve. We expect these cost over-runs to disappear in the medium term as we gain additional distribution through our growing adviser network.

The EV includes the net value added by the new business written over the period (+$4.3 million). This is the first period in which the Value of New Business (VNB) has been positive since the acquisition in June 2010. The current value of new business is also suppressed by the current level of acquisition costs incurred reflecting the ramp up of the business. As further scale is achieved the unit acquisition expense should reduce as well.

We are in the process of reviewing our EV related disclosures and are considering disclosing the VNB at various risk margins over risk free rate and separately reporting the impact of the expense overruns.

A goal of the Board is to ensure that a best practice regime is in place to both protect policyholder interests and manage shareholder aspirations with regard to visibility on the Group's EV and AV, ClearView's share liquidity and dividend policy. The Board therefore continues to evaluate the Group's capital position and dividend policy, especially in light of the strong growth trajectory of our life insurance business and the capital support required and also to better align market price of our shares with the Group's underlying intrinsic value.

## Executing on Distribution

I would now like to outline how we have been executing on distribution. ClearView is committed to increasing its share of the Australian retail life insurance and wealth management markets. In the near term, ClearView is focused on:

- Building on the initial success of LifeSolutions through sales via ClearView financial advisers and via financial advisers who are licensed by third party Dealer Groups;
- Continuing to recruit experienced financial advisers into our network and thereby further expanding our distribution footprint. ClearView is able to offer such advisers the opportunity to participate in the overall performance of ClearView through ownership of Shares through the ClearView Executive Share Plan (ESP). We have successfully continued to grow our network of financial advisers by leveraging off our non bank aligned, vertically integrated model that suits the recent regulatory reforms; we increased the number of experienced advisers recruited over the financial year by 46%;
- Establishing distribution agreements with third parties, including other financial services businesses and financial advisers, who are interested in innovative life insurance and wealth management products and quality services. We have established distribution agreements with a further 53 dealer groups over FY 2013. We are now on 80 approved product lists in total;
- Developing the direct marketing capabilities with non-advice products that are sold via direct channels including Bupa Australia and other strategic partners; and
- Refining our Wealth products and services, and increasing sales of Wealth products by attracting wealth focused financial advisers.

Underlying and supporting these objectives, and to build profitability, ClearView's key execution focuses on distribution are to:

- Expand our distribution presence across the independent financial advisers and direct channels;
- Target profitable markets with new innovative product offerings; and
- Improve the efficiency and reach of our operations to expand margins over time.

## Life Insurance Growth

The next slide highlights the growth in our Life business.

As at 30 June, life insurance risk premium was growing at a rate of just under $20 million per annum, reflecting the successful introduction of the new LifeSolutions product suite. This is primarily sold through aligned advisers and third party dealer groups. This is likely to be the primary driver of growth in EV in the medium term.

As you can see from the graph on your left, there was little growth in the in force book prior to the launch of LifeSolutions in December 2011. Since that time in force premiums have grown at a compound annual growth rate of 34%, and growth of over 40% for FY 2013.

This reflects a significant growth profile relative to the size of the in force portfolio. A small market share gain makes a material difference to ClearView given its current size. Pleasingly the strong growth momentum has continued in the first quarter of the new financial year.

ClearView has also recently commenced material investment in revitalising its Direct Life insurance business. ClearView recruited a new head of the Direct business who has restructured the team and refocused the direct distribution approach. This has led to some additional short term cost impacts, which are anticipated to create shareholder value in the medium term.

## FUM Net Flow Positive in 2H FY 2013

The next slide focuses on the Wealth Key Performance Indicators (KPIs) which include FUM and FUM net flows.

It has been a difficult market for investment products reflecting the "risk off" investment environment and significant regulatory changes. The profitability of Wealth Management is driven by the fees earned from FUM in ClearView product.

The net increase in FUM over the year was driven by the positive performance of investment markets and an improvement in the net outflows since the launch of WealthSolutions.

The second half of the financial year was the first half year in recent times that the Group was net flow positive with net FUM flows into ClearView of $17.1 million. The net inflows into WealthSolutions have offset the net outflows from the master trust business albeit that the new business written on WealthSolutions is at a lower margin.

WealthSolutions at 30 June 2013 accounted for $226 million or 15% of the total FUM. The focus is to now grow out distribution of this product. The development of a less sophisticated, competitive product targeted at smaller account balances is currently under review.

## ClearView Update and Summary

I'll finish off with an update on the outlook for the business.

In FY 2013 we:

- Transitioned to a new major shareholder who is both supportive and committed to our long term strategy;
- Implemented significant regulatory reforms;
- Increased the number of experienced advisers recruited in our dealer group over the financial year by 46%;
- Established distribution agreements with a further 53 dealer groups so we are now on 80 approved product lists;
- Have in force life insurance premiums of $62 million – growth of 41% over the past 12 months;
- Have in force FUM of $1.53 billion – growth of 11%;
- The FY 2013 financial result was adversely impacted by statistical volatility in life insurance claims experience that followed a favourable FY 2012. This experience is anticipated to average out over time; and
- We have a Balance Sheet that reflects shareholder capital conservatively invested in cash and with no debt.

From an outlook perspective:

- ClearView is currently in an investment phase that we expect to create material shareholder value in the medium term;
- If the rate of new life sales continues to increase there is the potential that new business growth will exceed the levels currently provided for and potentially require increased capital in the second half of this financial year;
- The long term growth outlook for both life insurance and wealth management in Australia is sound;
- In the short term, there will likely be continued pressure on the industry from uncertain economic conditions (impacting lapses and claims) and volatile investment markets. However, ClearView believes it is well positioned due to the fact that it does not participate in group life insurance and the ClearView pre 2011 portfolio has very limited income protection business (less than 1%).

ClearView will continue to follow its near term strategic focus of:

- Building on the initial sales growth of LifeSolutions;
- Continuing to recruit experienced financial advisers and establishing more distribution agreements with independent financial advisers and strategic partners;
- Refining its wealth and related product offerings, which includes some new products to be released in the short term; and
- Continuing to invest significantly in its direct life insurance business, systems and people.

In the medium-term, we are focused on building a progressive business that is well respected in the market and envied by our peers. We are aiming to build a differentiated brand that successfully brings together enduring relationships, innovative products and great service to deliver both adviser and customer access and loyalty.

In conclusion, we are now clearly a growing business focusing on the profitable segments of the industry and on executing our strategy. We are delighted to have supportive shareholders with aligned goals to maximise the potential for ClearView and its stakeholders.

I would like to thank the people of ClearView, the Shareholders of ClearView and the financial advisers and strategic partners who support us, it is greatly appreciated.

Thank you.

# Annual General Meeting

**6 NOVEMBER 2013**

**SIMON SWANSON – MANAGING DIRECTOR**

# BUILDING FOR GROWTH

ClearView has achieved a lot in the past 3 years … it has developed into a challenger brand in the life insurance and wealth management industry

## Transforming Acquisition

- ✓ MMC completed acquisition of MBF Life and ClearView in 2010
- ✓ Transformed MMC into focused life and wealth company; renamed ClearView
- ✓ Acquired platform for growth

## Development and Integration Phase

- ✓ Successful integration of merged business
- ✓ Building out of new management team
- ✓ Development and launch of new suite of non advice products
- ✓ Upgrade of life administration platform for direct products

## Expanded Opportunity

- ✓ Development and launch of life advice products and services, LifeSolutions[1]
- ✓ Development and launch of Super & IDPS wrap platform, WealthSolutions[1]
- ✓ Commenced recruiting experienced and successful advisers (25 recruited)
- ✓ Commenced establishing distribution agreements with third party dealer groups (27)
- ✓ **$5.2m** new life sales predominantly in Q4 FY12
- ✓ **$36m** FUM on new WealthSolutions platform

## Growth Underway

- ✓ Recruiting experienced and successful advisers (further 39 recruited; 64 in total)
- ✓ Establishing distribution agreements with third party dealer groups (further 53 established; 80 in total)
- ✓ Takeover bid; new supportive and committed shareholder base
- ✓ **$19.4m** new life sales; predominantly driven by LifeSolutions
- ✓ **$226m** FUM on new WealthSolutions platform
- ✓ Investment in automation and efficiency – currently a work in progress

FY10 FY11 FY12 FY13

1 LifeSolutions and WealthSolutions are new product suites, launched in Dec 2011, that provides access to the broader advice based life insurance and wealth management markets.

# FY2013 FINANCIAL SUMMARY

| Underlying Profit | Embedded Value | Life Growth – In force | Wealth Growth – FUM |
|---|---|---|---|
| $16m (FY12 $19.2m) | $279m[3] (FY12 $258m)[2] | $62m (FY12 $44m) | $1.53bn (FY12 $1.38bn) |
| 17% ↓ | 8% ↑ | 41% ↑ | 11% ↑ |
| Adverse term life claims volatility (and reinsurance recoveries) : Experience loss of $1.9m (profit of $2.9m in FY12); Net claims adverse movement of $4.8m between periods[1] | Negatively impacted by FY12 and special dividends ($18m), takeover bid related cash costs ($3.4m) and planner restructure costs ($0.6m) | Growth driven by launch of LifeSolutions and related execution of distribution strategy | Improvement in net outflows related to the launch of WealthSolutions |
| Improved lapse experience – experience loss of $0.8m ($1.2m loss in FY12) | Benefited from:<br>Strong in force life premium growth and positive FUM increase driven by investment markets | New business premium of $19.4m; LifeSolutions $16.9m and Non-advice $2.5m | Net flow positive in 2H FY13 of $17m (first time since pre GFC) |
| Loss of investment earnings from payment of dividends, takeover bid related cash costs and lower cash earning rate ($0.8m); Higher effective tax rate in FY13 ($0.6m) | Discount rate disclosures improved to reflect EV at various risk margins over risk free rate; potential value of imputation credits of $44m; Changed from 2010 acquisition basis to a 2013 peer comparative approach. Net $12m positive impact on EV due to change in discount rate methodology | Stepped change in distribution and growth profile | WealthSolutions FUM of $226m; Increased focus on wealth distribution from 2H FY13 |
| Increased profit contribution from growth in LifeSolutions; Given timing of new business and accounting, these sales did not contribute fully to FY13 profit | Excludes the potential value of future growth, listing & short term development and growth related costs | Continued investment in business for growth prior to revenue flow and profit recognition | Most sector funds continue to outperform their benchmarks |

1 Given the current size of the life insurance portfolio and reinsurance arrangements in place (arrangements vary by product where the maximum net exposure exceeds $300k per life insured) some statistical claims volatility can be expected on the pre June 2011 direct term life book from period to period; Claims experience is anticipated to average out over time at the actuarial best estimate assumptions.

2 Previously reported EV of $265m at 30 June 2012 adjusted for dividends (-$17.8m), net capital applied (+$1m), cash takeover bid related costs (-$3.4m) and the reduction in the discount rate risk margin to 5% (+$12.4m). Excluding a value for future franking credits.

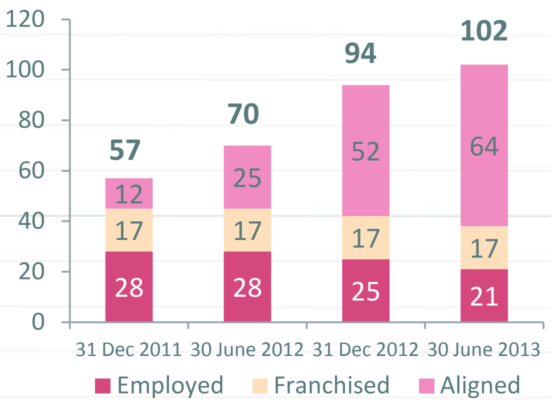
3 EV at 30 June 2013 at 5% discount rate risk margin. Excluding a value for future franking credits of $44m.

# EXECUTING ON DISTRIBUTION

## ClearView Dealer Group

Successfully growing our network of financial advisers by leveraging off non bank aligned, vertically integrated model that suits regulatory reforms

### ClearView Financial Advisers[1]

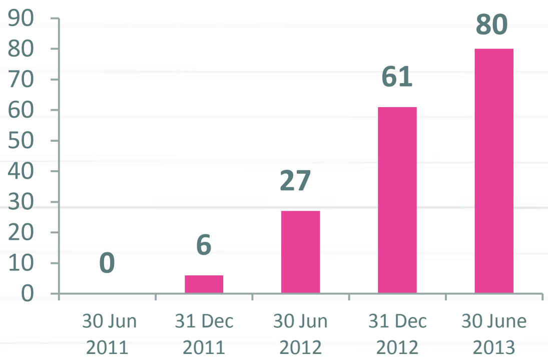



- Number of aligned advisers has more than doubled over the past 12 months
- Dealer group has $2.1bn of external FUA and $72.5m of in force life premiums under advice
- Includes $1.1bn FUA and $58.5m of in force life premiums from aligned advisers

## 3rd Party Dealer Groups

Entry into broader advice market through independent advisers – Approved Product Lists (APLs)

### APLs with ClearView Product




- Number of Approved Product Lists (APLs) has grown off a zero base to 80 at 30 June 2013
- Focus on key advisers within Approved Product Lists (APLs); not be everything to everyone

## Strategic Partners

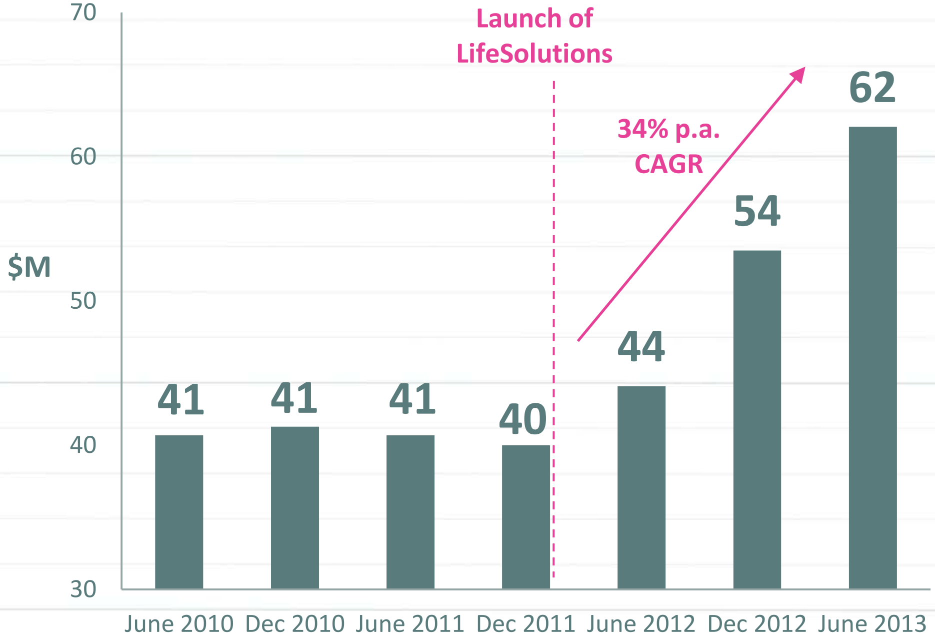
Referrals from strategic partner relationships and access to client base for complimentary product offerings

- 8 strategic partners including exclusive distribution alliance with Bupa Australia
- Potential to distribute through multiple channels i.e. internet, member centres, call centre referrals and telemarketing

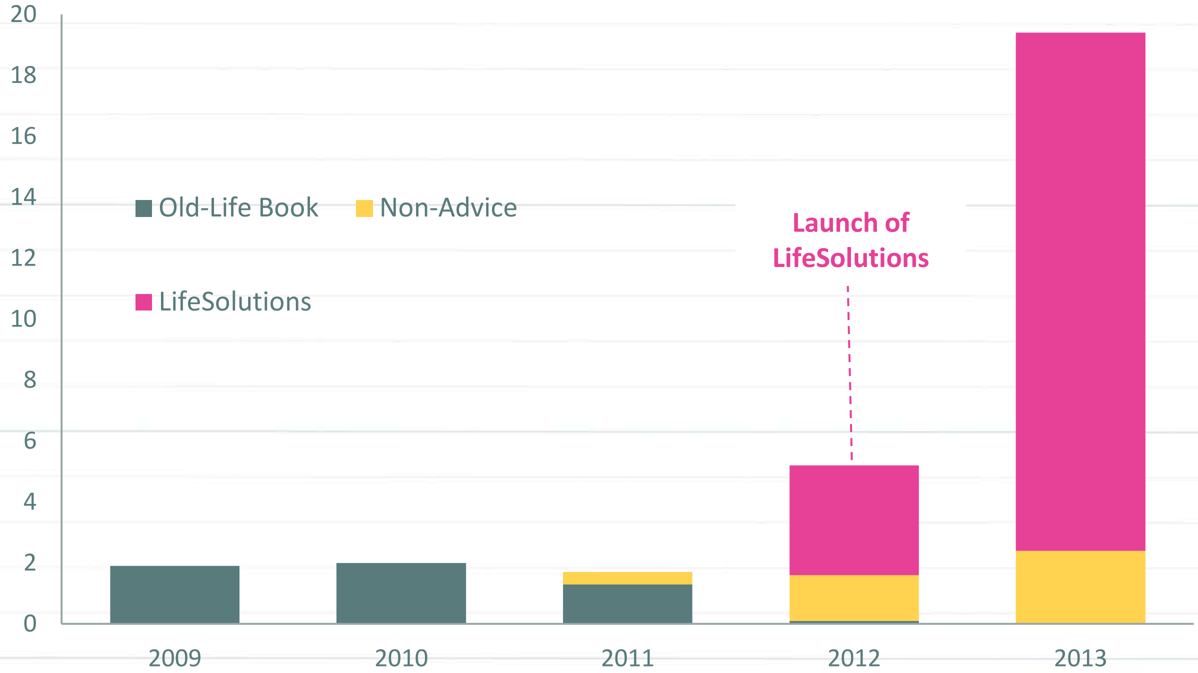
1 Aligned advisers includes all authorised representatives.

# LIFE INSURANCE GROWTH

## IN FORCE PREMIUM[1]




## NEW BUSINESS



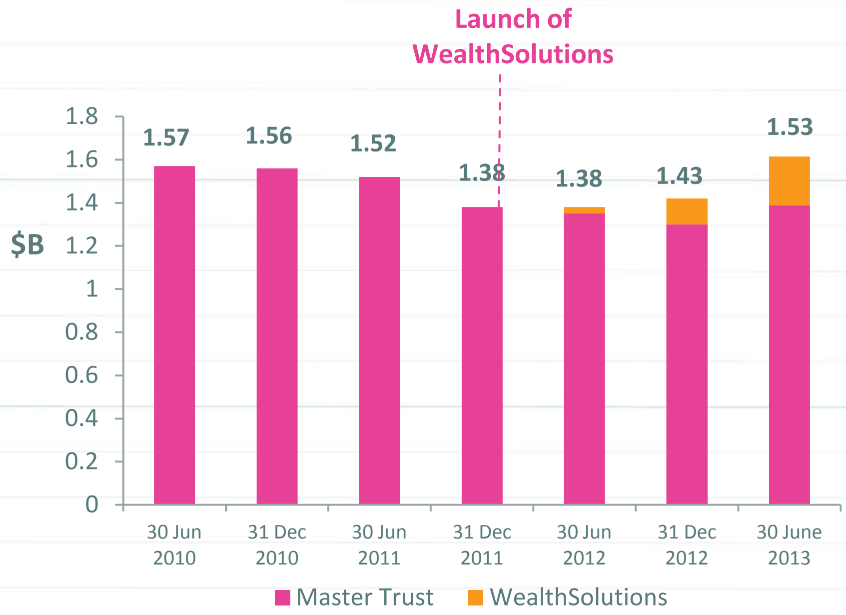

- In force growth driven by launch of LifeSolutions suite of products in Dec 2011, which reflects the early success of our strategy in the retail life advice market
- New business of $19.4m in the 12 months to 30 June 2013 compared to $5.2m in the 12 months to 30 June 2012
- LifeSolutions accounts for $21m or 34% of total in force premium as at 30 June 2013



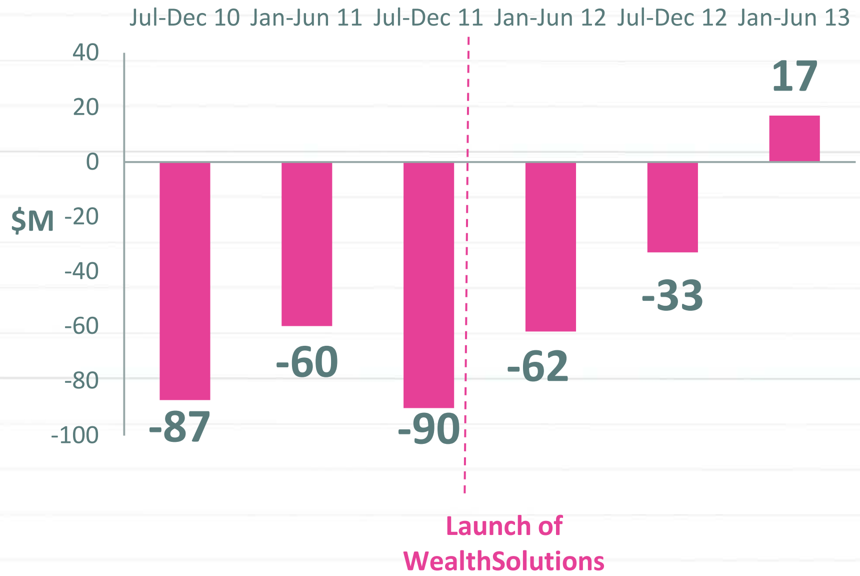
1 In force premium is defined as annualised premium in force at the date based on policy risk commencement date.

# FUM NET FLOW POSITIVE IN 2H FY2013

## CLOSING FUM[2]




## FUM[2] NET FLOWS[1]




- Difficult market for financial products; risk off environment
- WealthSolutions as at 30 June 2013 accounted for $226m or 15% of total FUM (albeit at lower margin than Master Trust FUM); net outflow over FY12 reduced by circa 91%
- Master Trust FUM continues to be impacted by run-off of historic book (fully priced into the Embedded Value)
- Most sector funds continued to outperform their benchmarks

1 FUM net flows is defined as inflows into FUM (net of internal transfers), less redemptions from FUM (net of internal transfers). Excludes management fees outflow.
2 FUM includes Funds Under Management (ClearView Master Trust and Managed Investment Schemes) and Funds Under Administration on WealthSolutions. It does not include funds under advice that are externally managed and administered.

# OUTLOOK & SUMMARY

| | |
|---|---|
| **Business Performance** | • Transitioned to a new shareholder who is both supportive and committed to our long term strategy;<br>• Implemented significant regulatory reforms;<br>• Increased the number of experienced advisers recruited in our dealer group over the financial year by 46%;<br>• Established distribution agreements with a further 53 approved product lists, now 80 in total;<br>• In force life insurance premiums of $62 million – growth of 41% over the past 12 months;<br>• In force FUM of $1.53 billion – growth of 11%.<br>• FY13 result adversely impacted by statistical volatility in life insurance claims experience that can also be favourable, but is anticipated to average out over time at the actuarial best estimate assumptions;<br>• Balance Sheet reflects shareholder capital conservatively invested in cash; no debt. |
| **Outlook** | • ClearView is currently in an investment phase that it expects to create material shareholder value in the medium term;<br>• If the rate of new life sales increases there is the potential that new business growth will exceed the levels currently provided for and potentially require increased capital reserving and additional capital in the second half of the current financial year;<br>• Long term growth outlook for both life insurance and wealth management in Australia is sound;<br>• In the short term, there will likely be continued pressure on the industry from uncertain economic conditions (lapses and claims) and volatile investment markets. However, ClearView believes it is well positioned due to the fact that it does not participate in group life insurance and the ClearView historical portfolio has very limited income protection business (less than 1%);<br>• ClearView will continue to follow its near term strategic focus of:<br>    • Building on the initial sales growth of LifeSolutions;<br>    • Continuing to recruit experienced financial advisers and establishing more distribution agreements with independent financial advisers and strategic partners;<br>    • Refining its wealth and related product offerings; and<br>    • Continuing to invest significantly in its direct life insurance business, systems and people. |
| **Conclusion** | • Well positioned for growth;<br>• Continue to focus on growth initiatives;<br>• Supportive shareholder base |

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References to underlying net profit is the Board’s key measure of profitability and the basis on which the dividend payment is determined. It consists of profit after tax adjusted for amortisation (not including capitalised software), the effect of changing discount rates on the insurance policy liabilities and takeover bid related and restructure costs which are considered unusual to the Group’s ordinary activities.