

MARKET RELEASE

SYDNEY, 27 August 2014

ClearView delivers strong profit growth and increased dividend

- Underlying NPAT¹ of \$19.7 million, representing growth of 23% on the prior year
- Reported NPAT of \$13.9 million and NPATA² of \$21.3 million representing a significant increase on the prior year
- In-force life insurance premiums growth of 41%; \$87.5 million in-force premiums; Life insurance underlying NPAT up 29%
- FUM net inflows broadly neutral; 8% FUM growth and total FUM of \$1.66 billion; Combined wealth management and financial advice underlying NPAT up 27%
- Recruitment of quality advisers continues, 117 financial advisers (up 15%), growth in FUMA (up 11%) and Premiums Under Advice (up 30%) in the dealer group
- Fully franked FY14 dividend of 2cps, up 11%; fully underwritten DRP

ClearView Wealth Limited (“ClearView” or “the Company”, ASX: CVW) today announced its results for the year ended 30 June 2014.

The strong growth in life insurance sales has continued, with in-force life insurance premiums growing to approximately \$87.5 million as at 30 June 2014, an increase of 41% over the prior year. Life insurance new risk premium of \$27.4 million was achieved for FY14 (up 41%) driven off the back of the LifeSolutions product and the restructure of direct distribution in FY14.

The significant investment in the direct life insurance business has shown signs of early success and momentum through the financial year, with new business premiums increasing by 48% over the prior year. Growth in sales of LifeSolutions (the advice-based life insurance product) has continued in the current financial year, with new business premiums increasing to \$23.6 million (an increase of 40% on FY13).

FUM increased 8% to \$1.66 billion, driven by positive investment markets with net flows broadly neutral in FY14 and FY13 compared to significant net outflows of circa \$150 million per annum in prior periods. This predominantly reflects the successful introduction of the WealthSolutions platform.

ClearView has now identified an opportunity to further improve its wealth product offering by launching a compelling mid-market product targeted at smaller account balances, coupled with a life insurance cross sell opportunity. The implementation of this new product (to be called ClearView WealthFoundations) is underway with the launch targeted in the first half of FY15.

¹ Underlying net profit after tax is the Board’s key measure of group profitability and the basis on which dividend payments are determined. It consists of consolidated profit after tax adjusted for amortisation (not including capitalised software), the effect of changing discount rates on insurance policy liabilities and costs considered unusual to the Group’s ordinary activities.

² NPATA is reported net profit after tax adjusted to exclude the non-cash amortisation of acquired intangibles (not including capitalised software).

The number of financial advisers in the ClearView Financial Advice business has increased to 117 as at 30 June 2014, representing an increase of 15% since 30 June 2013.

For the year ended 30 June 2014, ClearView produced an underlying net profit after tax (UNPAT) of \$19.7 million. UNPAT has increased by \$3.7 million (23%) compared with that for the year ended 30 June 2013, equivalent to an increase in diluted underlying earnings per share for the year from 3.65 cents per share to 4.41 cents per share (21%). This result reflects:

- Strong growth in life insurance resulting from the emergence of profit off the increased average in-force premiums over the year;
- Positive impact of a claims experience profit of \$1.1 million (after tax) relative to the expected claims cost. This positive claims experience variation follows negative claims experience in FY13 of \$1.9 million;
- Life insurance lapse experience was higher than the rates assumed in the life insurance policy liability (determined at 30 June 2013), with an experience loss of \$0.9 million (after tax) in FY14. This adverse lapse experience variation offset the positive claims experience and follows similar negative lapse experience in FY13 of \$0.8 million;
- The negative impact from reduced investment earnings given the reduction in interest rates (and between periods dividends/capital management initiatives). This has reduced the contribution of investment earnings on ClearView's capital to UNPAT by \$0.7 million when compared to the FY13 result; and
- An increase in the cost base reflecting the investment in the business ahead of revenue to support the Group's growth strategy. Emerging life insurers invest and incur expenses ahead of "getting to scale". As the business gets to scale, these expenses are progressively supported by business volumes that create operating leverage. The expense overruns (investing ahead of earnings) had a significant negative UNPAT impact in FY14 of \$7.7 million.

The reported NPAT of \$13.9 million was impacted by amortisation of acquisition intangibles of \$7.4 million (NPATA of \$21.3 million in FY14) partially offset by the (net of tax) positive effect of reduced long term discount rates on the policy liabilities of \$1.6 million for FY14. The reported profit in FY13 was impacted by the takeover bid related costs.

Commenting on the result, ClearView Managing Director, Simon Swanson, said, "It is exciting to be part of a growing organisation such as ClearView as reflected by the performance of our business. FY14 was a strong transitional year for ClearView, with the start of earnings growth. We are further encouraged by the ongoing support provided by our major shareholders for our growth and profitability ambitions."

FY14 Final Dividend

The Board declared a fully franked dividend in 2014 of 2.0 cents per share (FY13: 1.8 cent per share) which represents approximately 55% of the 2014 UNPAT and is in line with the Company's dividend policy (+11% increase in the dividend per share on the prior year). Key details related to the FY14 dividend are as follows:

Amount of Dividend:	2.0 cents per share
Ex-dividend Date:	2 September 2014
Record Date:	4 September 2014
Payment Date:	17 September 2014

ClearView's Dividend Reinvestment Plan (DRP) will continue to operate for the FY14 dividend payment. Shares under the DRP will be issued at a fixed price of \$0.80 per share, consistent with ClearView's Dividend Reinvestment Plan Rules, and in line with the 90 day volume weighted average price of \$0.80.

In order to preserve capital and to support ClearView's strong growth, the DRP has been fully underwritten by CBA Equities Limited for the FY14 dividend.

New shareholders or shareholders, who did not elect to participate in the DRP for the FY13 final dividend, can elect to participate in the DRP for the FY14 final dividend by updating their shareholding details online from the Computershare website www.computershare.com.au/easyupdate/cvw. For shareholders who have existing nominations, these nominations will be automatically applied for the FY14 final dividend, unless otherwise instructed. Change requests for existing nominations can be made by completing a change in participation form online at the Computershare website www.computershare.com.au/easyupdate/cvw.

Elections to participate in the DRP or changes to existing DRP elections must be made with Computershare by 5pm Friday 5 September 2014, which is the first business day after the record date for the FY14 final dividend.

Any shares issued to participating shareholders under the DRP will rank equally with existing fully paid ordinary shares.

A copy of the DRP Rules is available at the ClearView website www.clearview.com.au under the Shareholder Information section. The DRP Rules can also be viewed on the Computershare website by clicking into the "Plan Details" bar at www.computershare.com.au/easyupdate/cvw

Shareholder Enquiries

Shareholders who have questions relating to the DRP or do not have internet access can call Computershare Investor Services on 1300 855 080 (within Australia) or +61 (3) 9415 4000 (outside Australia) from 8.30am to 5.30pm (AEST) Monday to Friday, prior to 5pm (AEST) Friday, 5 September 2014. Other details for Computershare are as follows:

Computershare Investor Services
GPO Box 2975 Melbourne
Victoria 3001 Australia
For faster online update: www.computershare.com.au/easyupdate/cvw

Appendix 1 – FY14 Financial Highlights

\$m (unless stated otherwise)	FY14	FY13	% Change
Underlying NPAT ¹ (\$m)	19.7	16.0	↑ 23%
Underlying ¹ EPS (Fully Diluted) (cents)	4.41	3.65	↑ 21%
NPATA ² (\$m)	21.3	9.4	↑ Large
Reported NPAT (\$m)	13.9	1.9	↑ Large
Reported EPS (Fully Diluted) (cents)	3.10	0.46	↑ Large
Life Insurance New Business (\$m)	27.4	19.4	↑ 41%
In-force Premium (\$m)	87.5	62.1	↑ 41%
Funds Under Management (FUM) (\$bn)	1.66	1.53	↑ 8%
FUM Net Flows (\$m)	(8)	(16)	↑ 49%
ClearView Financial Advisers (#)	117	102	↑ 15%
Embedded Value ³ (\$m)	359	291	↑ 8%
DPS (Final Dividend) (cents)	2.0	1.8	↑ 11%

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² NPATA is reported net profit after tax adjusted to exclude the non-cash amortisation of acquired intangibles (not including capitalised software).

³ EV at 4% discount rate risk margin, excluding a value for future franking credits and ESP loans. The % increase excludes the impact of the \$45m in capital raised during the year.

Appendix 2 – Key Dates for the DRP

Key Event	Date ⁴
Announcement of FY14 results, final dividend, and Dividend Reinvestment Plan price	Wednesday, 27 August
Trading of ClearView Shares on an ex-entitlement basis	Tuesday, 2 September
Record Date for the Dividend Reinvestment Plan	Thursday, 4 September
Deadline to elect to participate in the Dividend Reinvestment Plan or amend current election for the Dividend Reinvestment Plan	5:00pm Friday, 5 September
Payment of the final dividend and transfer of New Shares under the Dividend Reinvestment Plan	Wednesday, 17 September
Settlement of New Shares issued under the Dividend Reinvestment Plan shortfall	Wednesday, 17 September
Dispatch of holding statements	Wednesday, 17 September
Allotment of New Shares issued under the Dividend Reinvestment Plan	Thursday, 18 September

ENDS

For further information, please contact:

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

⁴ The above timetable is indicative only and subject to change. ClearView, in conjunction with the Underwriter, reserves the right to amend any or all of these events, dates and times subject to the *Corporations Act 2001* (Cth), ASX Listing Rules and other applicable laws. All times and dates are in reference to 2014 AEST.