ClearView Wealth Limited
Year End 2014 Results

27 August 2014

Simon Swanson – Managing Director
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Disclaimer

IMPORTANT NOTICE AND DISCLAIMER

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Agenda

A	**Overview and Strategy**
B	FY2014 Results
C	FY2014 Operational Highlights and FY2015 Priorities
D	Summary & Outlook

ClearView is a specialist life, wealth and financial advice business

ClearView Wealth Limited (ASX Code: CVW)

APRA Regulated NOHC under the Life Insurance Act 1995

Life Insurance

Life Insurance Licence. APRA Regulated. AFSL Holder.

In-force premium: $88m (+41% yoy)

Life Advice

- Products: Comprehensive life advice product suite (LifeSolutions)
- Distribution: Financial advisers in the ClearView dealer group and third party dealer groups

Direct Life

- Products: Full suite of direct life products (Life, accidental death, injury cash, funeral and trauma)
- Distribution: Direct marketing, telemarketing, call centre referrals and online

Wealth Management

Responsible Entity Licence. (Life licence also). AFSL Holder.

FUM: $1.66b (+8% yoy)

Products:

- WealthSolutions:
  - Superannuation wrap
  - IDPS (ordinary) wrap
  - 250 managed funds, ASX equities, term deposits, multiple model portfolios
- WealthFoundations:
  - New mid-market super product
  - Launch expected 1H FY15
- Master Trust:
  - Life investment products
- Retail MIS (incl. on wrap)

Distribution: Financial advisers in the ClearView dealer group

Financial Advice

Dealer Group

AFSL Holder

117 advisers (+15% yoy)
$94m PUA (+30% yoy)
$4.1b FUMA (+11% yoy)

ClearView Dealer Group

- 117 financial advisers, growth driven by recruitment of aligned advisers;
- $94m life premiums under advice (of which $29m is in LifeSolutions);
- $4.1bn FUMA (of which $0.4bn is in WealthSolutions and $1.26bn is in the ClearView Master Trust)

Superannuation Trustee

APRA Regulated. Registrable Superannuation Entity Licence (RSE).

- Specialist in life insurance, wealth management and financial advice
- Formed (listed) in June 2010
  - Antecedents: NRMA Life back to 1976
- Life insurance is a $13.2bn market that has grown at 12.6% p.a. over the last 10 years
- Wealth management growth supported by increase in Superannuation Guarantee levy
- Consolidated markets – opportunity for a challenger brand
- Not “all things to all people”; focus is on quality over quantity
- Strong regulators – limits irrational competition and restricts irrational new competitors
- Management team that have “done it before”. Successful start up and big company experience
- Board with significant experience in guiding life insurance and wealth management businesses

Note: yoy is 30 June 2014 percentage increase relative to 30 June 2013.

The ClearView Strategy

1 Life Advice

- LifeSolutions: a high quality advice based product suite
- Initial focus on building out distribution network, products and systems; first phase of “J Curve” investment (FY12-FY14)
- Continued development of the front and back end systems, processes and ongoing product innovation to support growth (FY15+)
- Capacity to focus on further building out its distribution network in line with its growth strategy
- LifeSolutions new business growing strongly at 40% in FY14; Life Solutions in-force premium is $45.2m (+115% growth over FY13)

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2 Direct Life

- Profitable base business acquired with limited legacy issues
- Recruited a new direct life team and set up call centre and capacity in FY14 to accommodate future growth; second phase of “J Curve” investment (FY14)
- Build on its success in FY15; upgrade products and invest in technology to support growth
- Leveraging strategic partner relationships (eg Bupa)
- Direct life new business growing strongly at 48% in FY14 (run rate of circa $5.4m p.a based on Q4 FY14); In-force premium is $42.3m (of which old book is $36.8m)

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3 Wealth Management

- Broadly net flow neutral in FY14; In-force FUM of $1.66bn (+8%)
- Now commenced work to build out the wealth product offering (WealthFoundations)
- Targeted launch of WealthFoundations in 1H FY15; compelling, competitive mid-market product targeted at the pre-retirement market
- Sales and growth opportunities across our existing distribution network, including the life cross sell potential
- WealthFoundations and new platform will require a material investment in FY15 (around $3.5m UNPAT negative impact); third phase of “J Curve” investment (FY15+)

- ClearView is executing on its Walk (Life Advice), Jog (Direct Life), Run (Wealth Management) strategy;
- Implementing this high growth strategy (effectively across 3 “J Curves”) has required investment in a cost structure prior to the realisation of revenue benefits;
- ClearView is investing in operating costs above what is required for the current scale (expense overruns) to build capability for the future. These expense overruns depress initial reported profits but should eliminate as scale is achieved, thereby increasing underlying profit margins through the in-force portfolio.

New Mid Market Super Product Overview

Principles

- Manager branded, investment option building blocks
- Innovation and differentiation: positioning, pricing and adviser supporting features
- Straightforward, easy to understand in-built fee structure
- Competitive pricing
- Life insurance cross sell potential
- ClearView and select boutique dealer group distribution

Main Features of WealthFoundations

Positioning	• Competitive mid-market product targeted at the pre-retirement market
Integrated with LifeSolutions	• Seamless LifeSolutions premium payment • Life insurance cross sell potential
Innovations, add-ons	• Account guarantee (on death) • Implemented model portfolios using the regulatory structure within ClearView • Investment option menu (circa 15 options)
Technology Interface	• Modern, web based interface • Single log on/view of customer • Adviser and customer ability to manage product online
Scalable Simple	• Straight through processing • Highly automated • Simple structure and fees

- Over the next 12 months the focus will be on building a new compliant and functional wealth platform, launch WealthFoundations, expanding distribution and commence growth. Launch in 1H FY15; and
- The investment in both a new platform and WealthFoundations will require a material investment in FY15 (around $3.5m UNPAT negative impact); third phase of "J Curve" investment

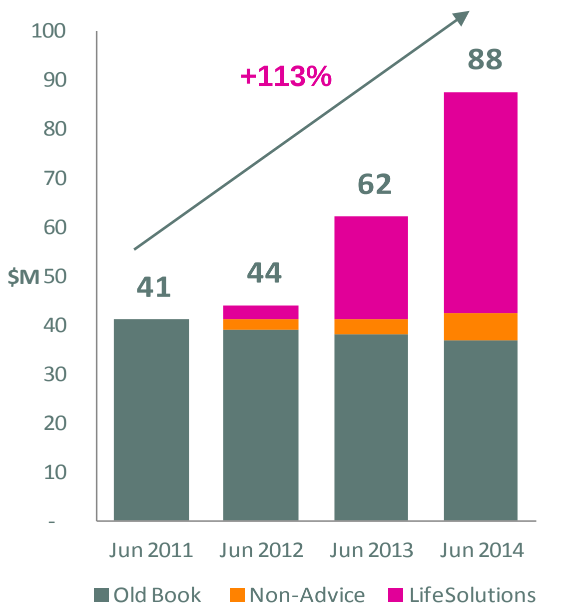
Key Performance Metrics

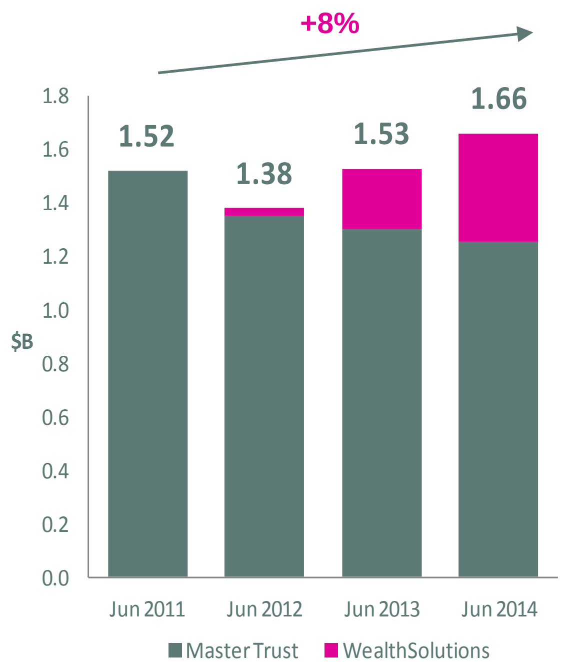
Business Line	Metric	FY14	FY13	% Change[4]	Comments
Life Insurance	In-force Premium ($m)	87.5	62.1	41%	• Stepped change in distribution and growth profile • In-force premium: LifeSolutions $45.2m (+115%), New Direct $5.6m (+94%), Old Book $36.8m (-4%) • Growth in LifeSolutions; new business of $23.6m (+40%) • Investment in Direct building momentum; new business of $3.8m (+48%, run rate of $5.4m[1])
	New Business ($m)	27.4	19.4	41%	
Wealth Management	Closing FUM ($b)	1.66	1.53	8%	• Master Trust in-force FUM of $1.26bn (-4%) • WealthSolutions in-force FUM of $0.4bn (+79%) • Broadly net flow neutral over FY14 and FY13, compared to significant outflow of circa $150m p.a in prior periods • Positive impact from investment markets • New mid market product to be launched in 1H FY15
	FUM Net Flows ($m)	(8)	(16)	49%	
Financial Advice	Number of Advisers	117	102	15%	• Recruitment of quality advisers continues • FUMA and PUA growth reflects recruitment of new advisers • $4.1bn FUMA in-force of which $1.66bn is in WealthSolutions and ClearView Master Trust product; $94m PUA in-force of which $29m is in LifeSolutions.
	FUMA ($b)	4.1	3.7	11%	
	Premium Advised (PUA) ($m)	94	73	30%	
ClearView	Embedded Value ($m)[2]	359	291	8%[3]	• Benefited from in-force life growth and positive FUM impacts from investment markets • Reflects negative experience from the maintenance expense overruns until they are eliminated and one-off impact from change in lapse assumption on old book • $44.9m net capital raised in March 2014
	Value of New Business ($m)[2]	9.5	6.1	56%	• Now positive and growing; will remain suppressed by acquisition expense overruns until they are eliminated
	Reported NPAT ($m) NPATA ($m) Reported diluted EPS (cps)	13.9 21.3 3.10	1.9 9.4 0.46	Large	• Impacted by takeover bid related costs in FY13; Volatile MTM[5] and timing effects • NPAT adjusted to exclude the non-cash amortisation of acquired intangibles of $21.3m
	Underlying NPAT($m) Underlying diluted EPS (cps)	19.7 4.41	16.0 3.65	23% 21%	• Underlying diluted EPS up 21% • Favourable claims experience following FY13 adverse experience • Expense overruns ($7.7m in FY14) should be eliminated over time as scale is achieved
	Final Dividend (cps)	2.0	1.8	11%	• Fully franked FY14 final dividend, 55% of UNPAT in line with payout ratio
	Net Assets ($m)	310	251	6%[3]	• $44.9m net capital raised in March 2014

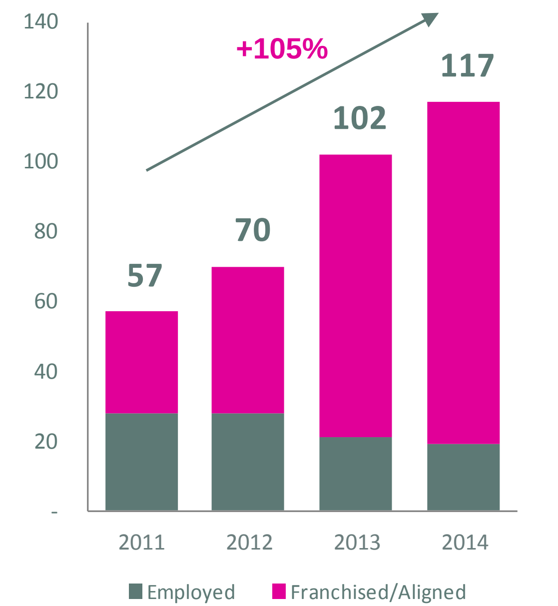
Note 1: Annualised run rate based on Q4 of FY14. Note 2: EV and VNB at 4% discount rate margin; excludes a value for future franking credits and ESP loans. Note 3: % movement is net of the net capital raised ($44.9m). Note 4: YoY % move, June 2013 to June 2014 unless otherwise stated. Note 5: MTM – Mark-to-market affects include policy liabilities varying with discount rates required under AIFRS.

Key Performance Metrics: Highlights

Life Insurance	Wealth Management	Financial Advice
In-force Premium	**Funds Under Management**	**Financial Advisers**







Life Insurance

- LifeSolutions in-force premium is 52% of total book and is now larger than the acquired in-force portfolio
- Direct new business run rate of $5.4m[1] in context of in-force book of $5.6m
- Old book takes time to run off given age based and CPI premium increases

Wealth Management

- Master Trust FUM closed book and impacted by the positive performance of investment markets
- New business is written into WealthSolutions at lower margins; FUM +79%
- New wealth mid-market super product to be launched in 1H FY15

Financial Advice

- Number of financial advisers increased to 117 (+15%)
- Focus on further recruitment of aligned advisers
- Advanced negotiations with a dealer group that if successful is likely to materially expand the distribution footprint[2]

Note 1: Annualised run rate based on Q4 of FY14. Note 2: ClearView cautions, however, that negotiations are ongoing and ClearView can give no assurances as to whether such a transaction will proceed, and, if so, on what terms. ClearView will immediately inform shareholders if these negotiations develop such that further disclosure is required.

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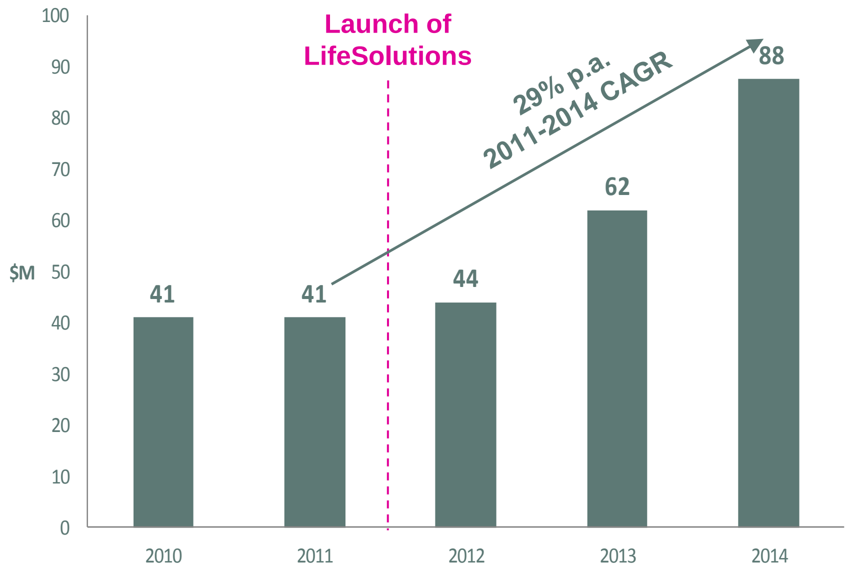
Summary Financials: FY2014 by Segment

Y/E 30 June 2014, $m	FY14	FY13	% Change[1]	Comments
Life Insurance Profit	10.8	8.4	29%	• Positive claims experience (+$1.1m) relative to the expected claims cost offset by adverse lapse experience (-$0.9m); • Investment in building out distribution network, products and systems; Expense overruns of $4.5m depress initial reported profits; these should eliminate as scale is achieved, thereby increasing underlying profit margins through the in-force portfolio • Increased shared services allocation to life insurance (growth in business) means that UNPAT growth is lower than it would have been otherwise • Investment earnings higher given capital required to support growth
Wealth Management Profit	5.9	6.6	(11%)	• Net increase in FUM levels (+8%) driven by positive investment markets; broadly net flow neutral • Given that new business is written into WealthSolutions at lower margins than the existing in-force Master Trust products, fee income increased by only 4% • Increased cost base; investment in distribution, marketing costs and increased shared services allocation • Investment manager expenses remained flat, platform fees increased in line with the average WealthSolutions FUM levels and account balances • Reduction of interest income given reallocation of capital to support growth of life
Financial Advice Profit	3.5	0.8	355%	• Material reduction in the allocation of shared services overhead (due to growth in other segments), rationalised branch network (including the associated rental cost savings) and a restructured service model
Listed Entity and Other	(0.5)	0.2	NM	• Interest income on shareholder cash and reserves • Reducing interest rates through cycle • Capital raising of $44.9m (net of costs) successfully completed in March 2014 • Cash absorbed by growth in life and takeover costs/ dividends in FY13
Underlying NPAT	**19.7**	**16.0**	**23%**	• Investment ahead of earnings ($7.7m impact in FY14) are currently depressing profits. These expense overruns are expected to be eliminated over time as scale is achieved thereby increasing underlying profit margins through the in-force portfolios
Amortisation	(7.4)	(7.5)	(2%)	• Non cash item relating to acquired intangibles (predominantly from acquisition of business from Bupa)
Other Adjustments	1.6	(6.6)	NM	• The result of the changes in long term discount rates used to determine the insurance policy liabilities • Costs considered unusual to the Group's ordinary activities incurred in the FY13 relate to the takeover bid
Reported NPAT	**13.9**	**1.9**	**Large**	• NPAT adjusted to exclude the non-cash amortisation of acquired intangibles of $21.3m (FY13: $9.4m)

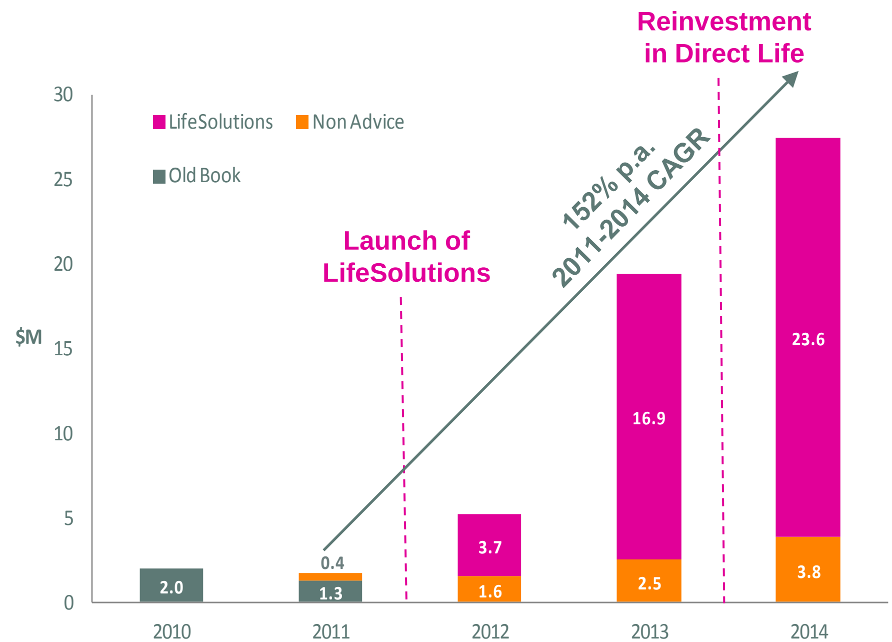
Note 1: % change represents the movement from FY13 to FY14.

Life Insurance: Significant Growth

IN-FORCE PREMIUM[1]



NEW BUSINESS[2]

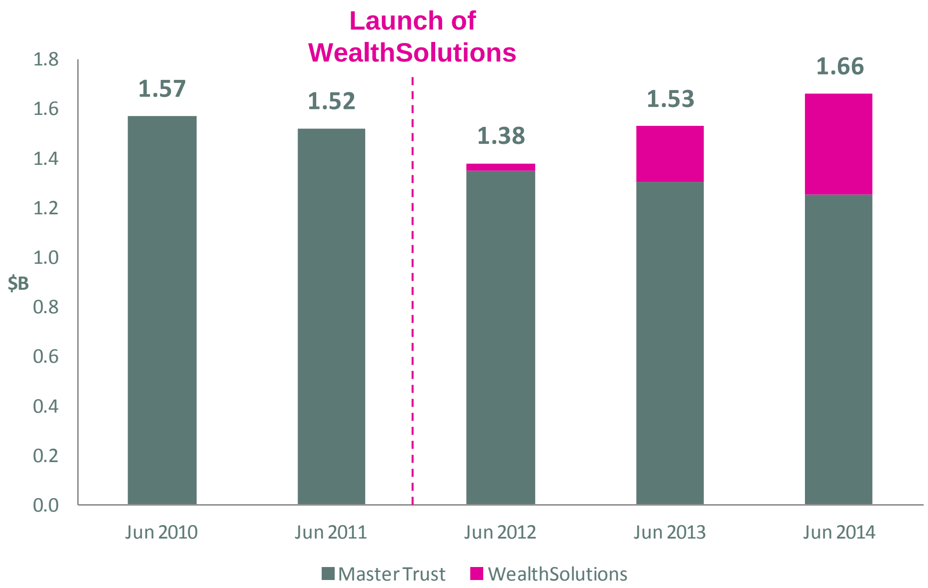


- In-force growth driven by launch of LifeSolutions suite of products in 2H FY12, which reflects the early success of our strategy in the retail life advice market
- The investment in the direct life business has shown signs of early success and momentum through the financial year with sales increasing by 48% over FY13
- New business of $27.4m in the 12 months to 30 June 2014 compared to $19.4m in the 12 months to 30 June 2013 (+41%)
- LifeSolutions accounts for $45.2m or 52% of total in-force premium as at 30 June 2014

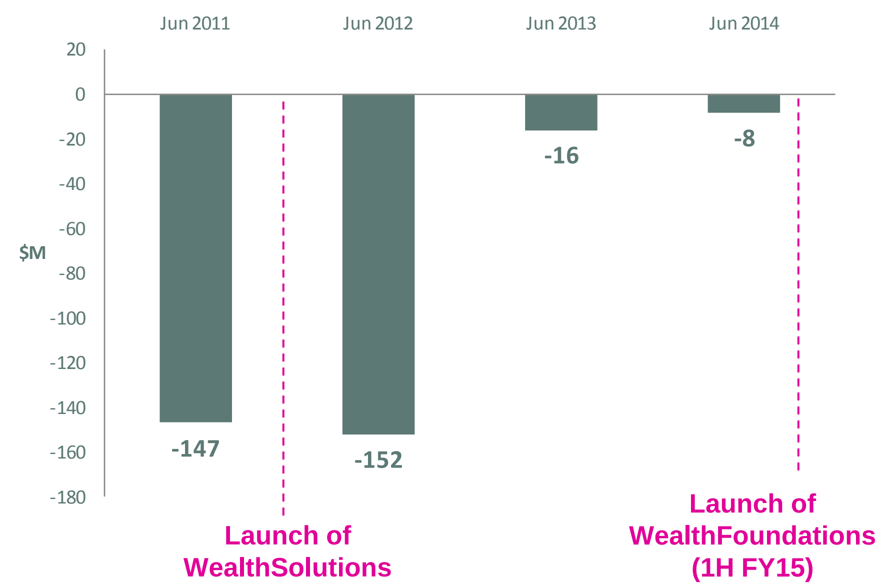
Note 1: In-force premium is defined as annualised premium in-force at the date based on policy risk commencement date.
Note 2: New business represents the amount of new annual written premium sold during the period, net of policies cancelled from inception.

Wealth: Now commenced work to build out the product offering

CLOSING FUM[1]



FUM[1] NET FLOWS[2]



- FUM broadly net flow neutral in FY13 and FY14 (vs. significant outflow of circa $150m p.a in prior periods)
- WealthSolutions as at 30 June 2014 accounted for $405m or 24% of total FUM (albeit at lower margin than Master Trust FUM)
- Master Trust FUM gradually running off given that the product is not actively marketed to new members and that there is a large component in the pension phase (fully priced into the Embedded Value)
- Investment in both a new platform and WealthFoundations will require a material investment in FY15; attractive sales and growth opportunities across our existing distribution network including the cross sell potential

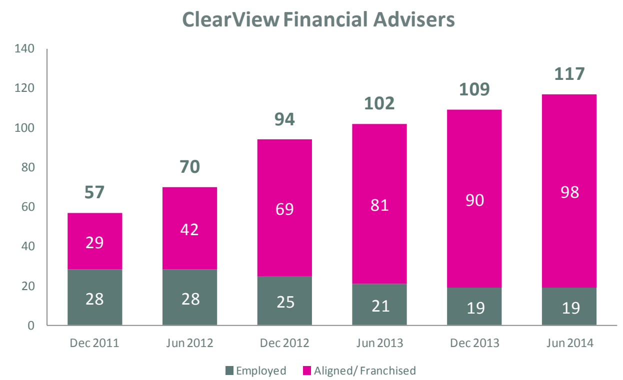
Note 1: FUM includes Funds Under Management (ClearView Master Trust and Managed Investment Schemes) and Funds Under Administration on WealthSolutions. It does not include funds under advice that are externally managed and administered.

Note 2: 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.

Distribution: Expanding Across Segments

Financial Advice

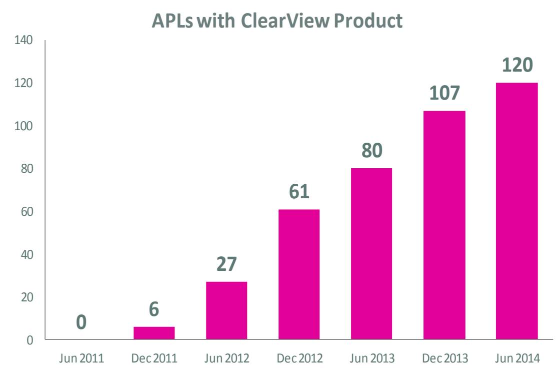
Successfully growing our network of financial advisers by leveraging off non bank aligned model



- Number of advisers has increased by 15% over the last 12 months
- Dealer group has $4.1bn of FUMA and $94m of PUA
- Growth in FUMA (+11%) and PUA (+30%) has been predominantly driven by the recruitment of aligned advisers

3rd Party Dealer Groups

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



- Number of Approved Product Lists (APLs) has grown off a zero base to 120 at 30 June 2014 (+50% over the last 12 months)
- 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 complementary product offerings

- Exclusive distribution alliance with Bupa Australia
- New partnership and funding arrangement with Your Insure; expands market reach
- Leverage off the material investment made to date and gain further traction through strategic partners and lead generation sources

Note 1: Financial advisers includes all authorised representatives.

Statement of Financial Position: Shareholder[1]

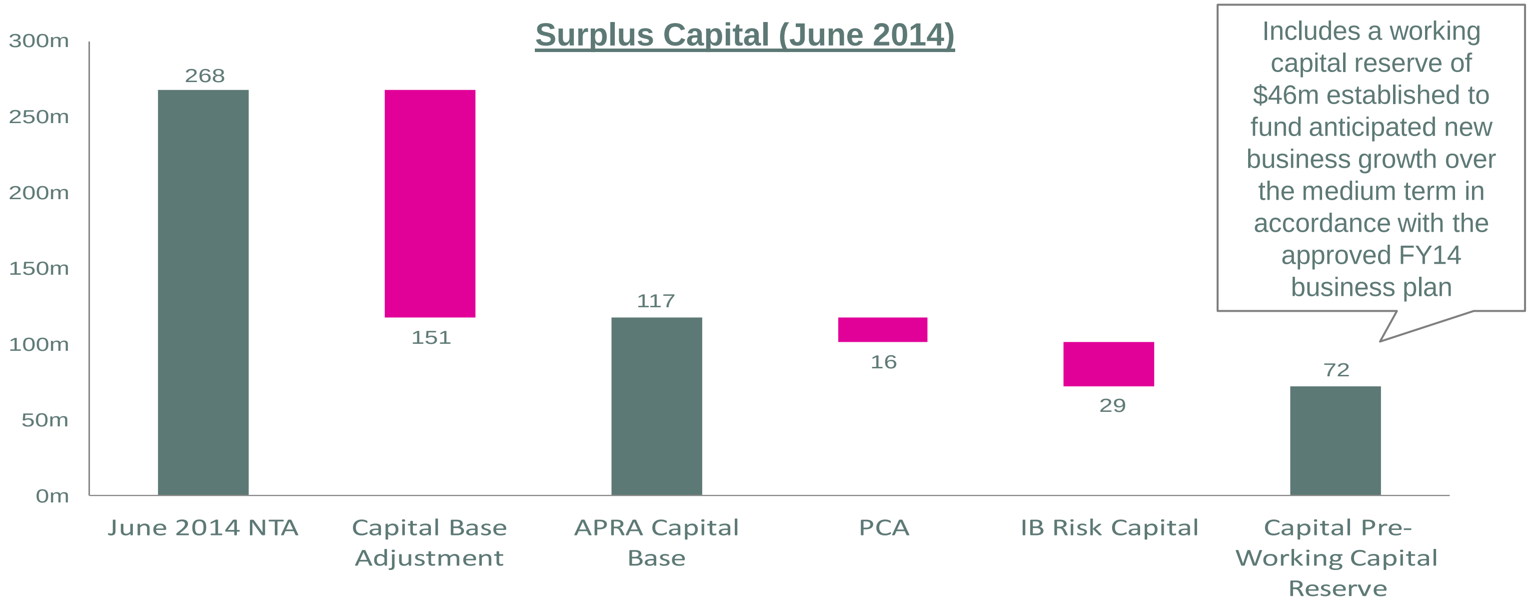
ClearView

$M	FY14	FY13
ASSETS		
Cash equivalents	157	112
Receivables	2	4
Deferred tax asset	4	4
PP&E	1	1
Goodwill	5	5
Intangibles	37	43
Total Assets	**206**	**169**
LIABILITIES		
Payables	14	11
Current tax	5	4
Provisions	4	3
Life Insurance[2]	(127)	(100)
Total Liabilities	**(104)**	**(82)**
Net Assets	**310**	**251**
Net Assets per share[3]	62.3 cents	60.5 cents
Net Tangible Assets	**268**	**203**
NTA per share[3]	54.6 cents	50.1 cents

- No debt
- Successful capital raising of $44.9m (net of costs) completed in March 2014 predominantly to fund growth
- Shareholder capital continues to be conservatively invested in cash and interest bearing securities
- $25.5m surplus capital above internal target benchmarks. Internal benchmarks include $46m working capital reserve to fund new business growth. In effect this means that ClearView has $71.5m of capital available to fund future growth
- Life insurance policy liability increase reflective of growth in life insurance business (DAC) partially offset by run-off of the in-force DAC
- Intangible assets includes capitalisation of software ($6.8m carrying value) offset by amortised acquisition intangibles
- Payables increase predominantly relates to increase in reinsurance creditors and other payables associated with the growth of the in-force premium

Note 1: Shareholder Statement of Financial Position excludes the life investments contracts (i.e. unit linked business) and deconsolidates retail unit trusts. Note 2: Life insurance asset reflects insurance liabilities net of the future recoverability of the deferred acquisition costs in accordance with the accounting standards. Note 3: Adjusted for Employee Share Plan (ESP) loans of $28.7m (FY13:$23.6m) and 49.4m (FY13: 41.9m) ESP shares.

Surplus Capital Position AT 30 JUNE 2014



Comments

- June 2014 NTA: Net Tangible Assets per the Balance Sheet
- Capital Base Adjustment: Removal of Deferred Acquisition costs (DAC) and other adjustments from the Capital Base
- PCA: Capital reserved in accordance with APRA prudential requirements and other ASIC requirements
- IB Risk Capital: Internal Benchmarks include risk capital held for protection of regulatory capital position and regulatory licences
- Capital Pre-Working Capital Reserve: Capital to fund future growth of the business

As at 30 June 2014, ClearView has $71.5m of capital to fund future growth. While ClearView's rate of growth is high relative to the size of its in-force portfolio, ClearView needs to invest its surplus cash to fund its growth.
ClearView holds $46m of capital under its ICAAP for growth over the next 3 years.

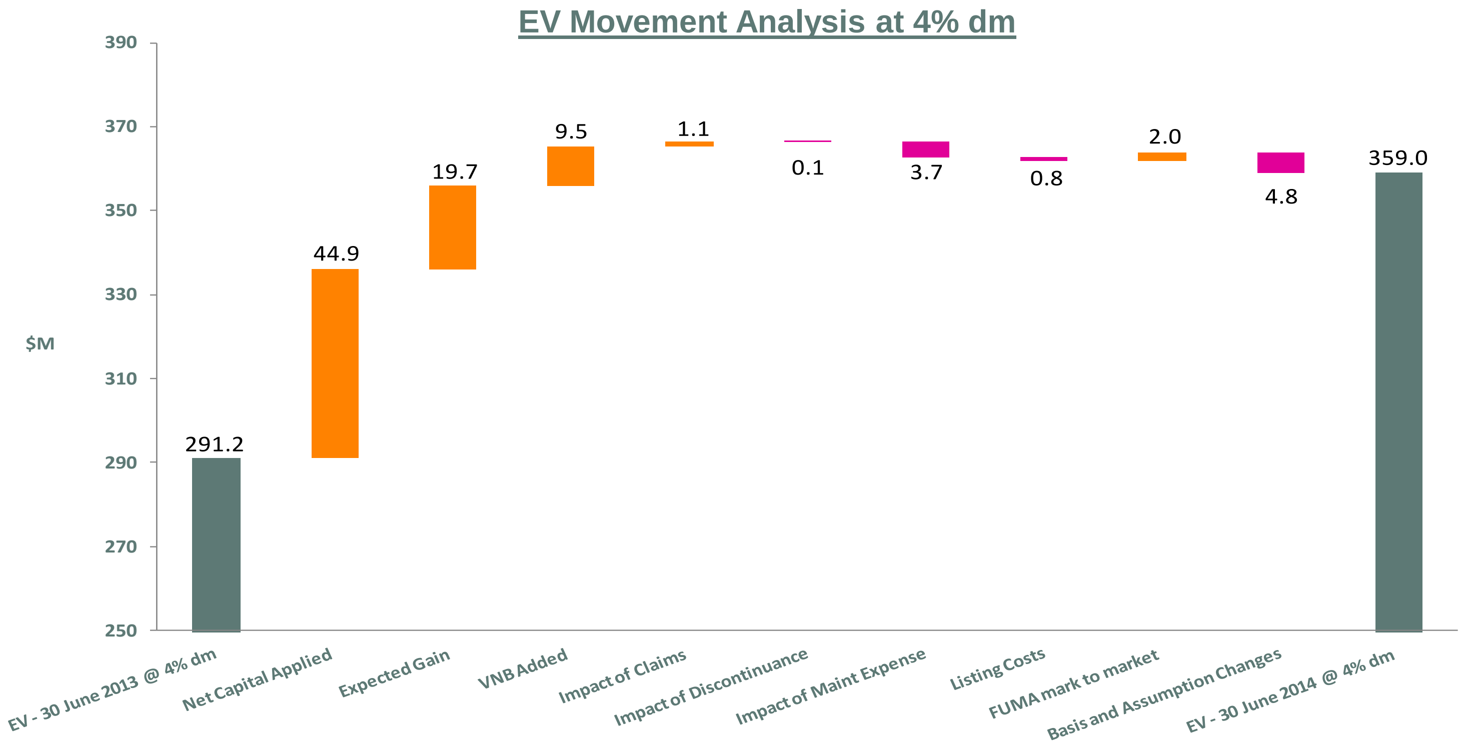
Note: Surplus capital reported is surplus capital above internal benchmarks. Internal benchmarks exceed regulatory requirements.

Summary Financials: Embedded Value (EV) AT 30 JUNE 2014

RISK MARGIN OVER RISK FREE: $m (unless stated otherwise)	3% dm	4% dm	5% dm
Life insurance	203.8	192.0	181.4
Wealth management	43.9	42.1	40.4
Financial Advice	25.3	24.1	23.0
Value of In Force (VIF)	**273.0**	**258.2**	**244.8**
Net worth	100.8	100.8	100.8
Total EV	**373.8**	**359.0**	**345.6**
ESP Loans	28.7	28.7	28.7
Total EV including ESP Loans	**402.5**	**387.7**	**374.3**
Imputation Credits:			
Life	33.3	31.3	29.5
Wealth	11.1	10.7	10.4
Financial Advice	7.4	7.1	6.9
Total EV including Imputation Credits and ESP Loans	**454.3**	**436.8**	**421.1**
EV per share Including ESP Loans (cents)	**73.9**	**71.2**	**68.8**
EV per share including Imputation Credits and ESP Loans (cents)	**83.4**	**80.2**	**77.3**

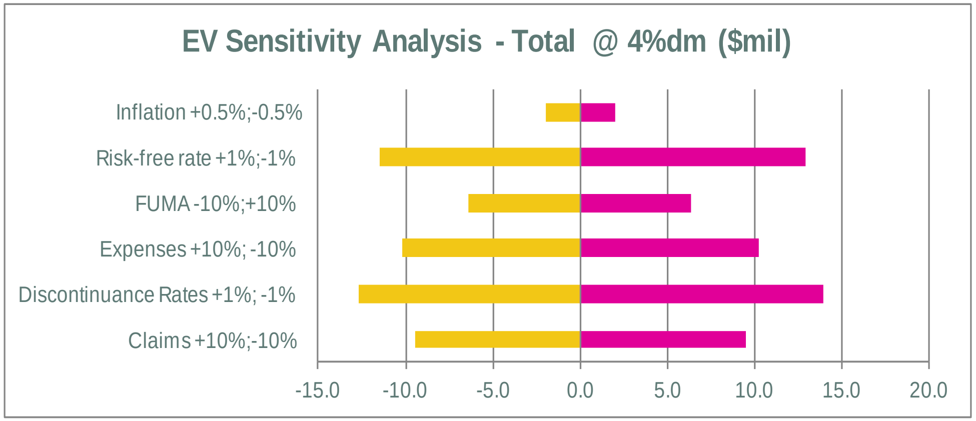
- The EV is made up of the value of the in-force (VIF) and the Net Worth
- The EV is the value of all business written to date determined by actuarial assumptions and modelling. Note that:
  - The EV excludes the value of any future growth potential. It is based only on the in-force portfolios as at 30 June 2014. The expenses rates are based on longer term unit costs, as opposed to current “expense overrun” levels;
  - The EV with the value of imputation credits at 70% of their present value is also shown; and
  - The EVs have been presented above at different “discount margin” rates over the assumed long term risk free rate reflected within the underlying cash flows valued.
- “dm” represents the discount rate risk margin, which refers to the margin above the 10 year bond yield. The 10 year bond yield adopted for the FY14 EV is 4% (FY13: 4%)

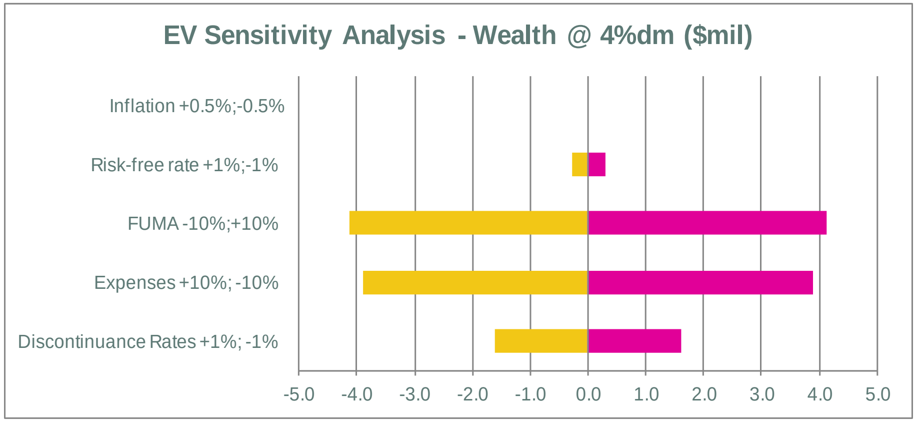
Embedded Value (EV) Movement Analysis @ 4% DM AT 30 JUNE 2014

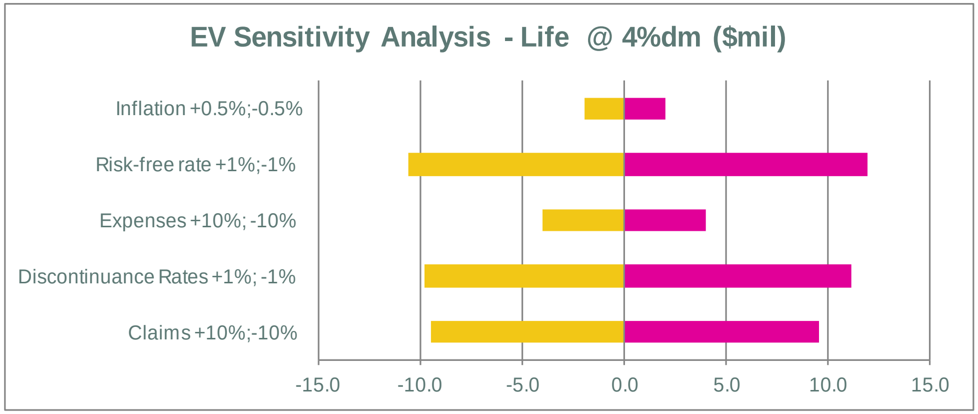


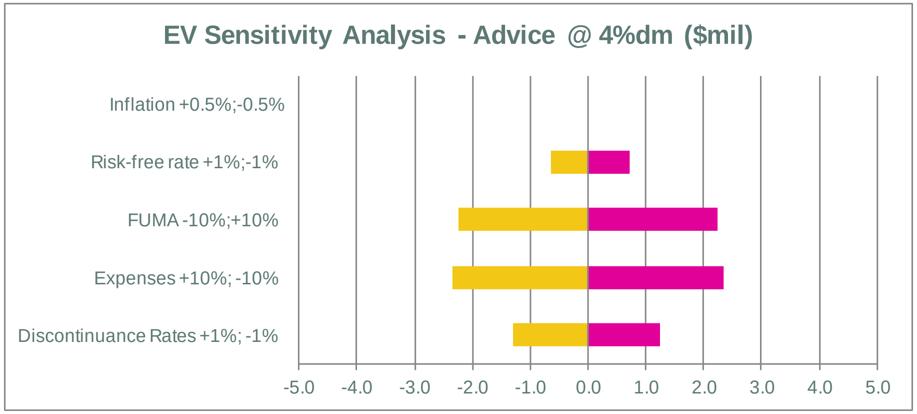
- Emerging life insurers invest and incur overhead costs ahead of "getting to scale": The expense rates assumed in the EV are based on longer term unit costs, as opposed to current "expense overrun" levels
- As business gets to scale, these costs are progressively supported by business volumes that creates operating leverage
- Expense overruns depress the growth in EV; these should eliminate as scale is achieved, thereby increasing underlying profit margins through the in-force portfolio and removing the drag on the EV
- Detailed EV commentary on the movement analysis is provided in the Appendix

Embedded Value (EV) Sensitivity Analysis @ 4% DM









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ClearView will continue to invest for growth

	FY14 Operational Highlights	FY15 Priorities
Life Advice	• Investment to support growth including upgrading adviser interaction and improve efficiency and service delivery • Includes automation of online quotes, application tracking and automated underwriting rules engines • Expanded geographic footprint (development of national presence and strengthened distribution team)	• Upgrade to LifeSolutions (expected in 1H FY15) • Continue to upgrade the supporting technology • Continue to expand distribution footprint further by servicing the ClearView and third party dealer groups
Life Direct	• Material investment in FY14 in revitalising business • Includes build out of a call centre in Parramatta and recruitment of new direct team • Refocused direct distribution approach • Recently entered into a new partnership and funding arrangement with Your Insure • Small unprofitable direct distribution partners were terminated	• Build on the Bupa strategic partnership and focus on executing on the Your Insure opportunity • Continue to build out the investment in infrastructure and technology • Refine the direct life product offering • Develop best practice customer lifecycle and retention programs
Wealth	• Commenced work to build out wealth product offering by launching competitive mid-market product targeted at the pre-retirement market • Implemented significant regulatory reforms • Servicing the ClearView dealer group to distribute the WealthSolutions product more broadly commenced in FY14	• Build a new compliant, scalable and functional wealth platform • Launch of WealthFoundations (mid-market product with relevant features and innovations) in 1H FY15 • Migration of the Master Trust onto the new platform • Expand wealth distribution to third party APLs
Financial Advice	• Continued to expand adviser base through recruitment of aligned advisers • Improved effectiveness of the dealer group model • Rationalised the regional branch network and reorganised the service model	• Recruit high quality advisers who have the right cultural fit for ClearView. Quality over quantity • Continue to improve service offering and support to advisers • Accelerate the growth opportunity by materially expanding the distribution footprint of ClearView potentially via acquisition

ClearView will continue to invest for growth to enable the business to deliver on its strategic objectives

ClearView has avoided most current industry issues

Industry Issue	ClearView Exposure	ClearView Opportunity
Group Life Losses • Industry super funds increased default cover while pricing reflected economic boom times, a level of historical member apathy and ready reinsurer support • Rising claims costs reflect influences such as economic cycle, lawyer activism, community trends (e.g. mental illnesses), reinsurer withdrawal	**No exposure.**	Opportunity to enter market if/when rational and sustainable prices return. No current intention exists
Income Protection Losses (a similar story to Group Life) • Economic boom time pricing and policy terms with ready reinsurer support • Rising claims from economic cycle, job losses amongst professionals • Policy wordings too generous for certain conditions (e.g. mental illnesses) • Reinsurers now restricting support levels for these policies	**Limited exposure.** Industry issues mainly older policies. ClearView has almost no pre 2011 exposure	As industry raises prices and modifies terms, ClearView may benefit
Lapse Losses • Cost conscious consumers are reconsidering cover • Price increases on legacy IP policies are encouraging consumers to switch out of these policies and into lower priced new policies	**Limited exposure.** ClearView has lower lapse rates than peers	ClearView to benefit from potential increased pricing in the market
Regulation Change • Many recent changes: FOFA, Stronger Super, SuperStream, LAGIC, etc. • Continually increasing regulatory requirements increases compliance costs	**Less than peers.** ClearView implemented change at low cost given limited legacy business	Industry costs will drive price increases
Wealth Margin Squeeze • Price competition has been lowering margins in wealth management across the value chain, while some costs (e.g. regulation) have been rising	**Material exposure.** Less legacy improves manageability	Limited opportunity. Limited legacy means well placed to respond

ClearView has avoided most current industry issues, in particular mispricing of Group Life and Income Protection and ownership of legacy portfolios. ClearView stands to benefit from any future life insurance repricing

Agenda

ClearView

A	Overview and Strategy
B	FY2014 Results
C	FY2014 Operational Highlights and FY2015 Priorities
D	**Summary & Outlook**

The ClearView Proposition: Key investment themes

1 **Growing market**	✓	• Life (risk) insurance market has been growing at 12% CAGR over the past 10 years[2] • Wealth management market has been growing at 8% CAGR[3] (increased Superannuation Guarantee) • Regulated markets drive rational behavior • New life insurance licences are expensive and time consuming to obtain
2 **Differentiated asset**	✓	• Consolidated market ripe for a challenger such as ClearView • Limited number of life insurance/wealth businesses that are not owned by a large bank or institution • Investing heavily for growth in targeted, profitable market segments • Limited legacy issues as a result of never having acquired another life insurance/wealth business
3 **Team with track record of success**	✓	• Senior management team has "done it before" – either as challengers or industry leaders (or both) • Management and advisers are material owners of shares – >9% of shares • Board members represent >65% of shares and have significant experience in the life insurance, wealth management and other financial services sectors
4 **Developing Momentum**	✓	• ClearView has transitioned from "building a platform" for growth to delivering growth • Key performance metrics showing positive signs, including (FY11-1H14): 113% growth in in-force life premium, 8% growth in funds under management and an adviser base that has grown 105%
5 **High asset backing**	✓	• Total Embedded Value is $437m[1] (80.2 cents per share) including franking credits and ESP loans which provide material downside protection to investment • In-force portfolios acquired are strong cash flow generators that are partly providing the funding for the growth in the business
6 **Operating leverage**	✓	• Implementing a high growth strategy has required investment in a cost structure prior to the realisation of revenue benefits • Business is therefore investing ahead of earnings which has been depressing short term profits • Cost overruns should decrease as the business grows, providing it with material operating leverage and thereby increase the underlying profit margins through the in-force portfolios

Note: 1. FY14 Embedded Value and value of franking credits shown at 4% discount margin (dm%). See slide 17 for alternative Embedded Values at different dm%.
Note: 2. Plan for Life (September 2013)
Note: 3. Deloitte, Dynamics of the Australian Superannuation System, September 2013

Summary and Outlook

ClearView

Business Performance	• ClearView continues to invest for growth and is making progress in building out its systems and processes to expand on its success to date • Positive momentum in key operating metrics across the business in FY14 vs. FY13 – Life: In-force premium +41%; new business +41% – Wealth: FUM +8%; net flows now broadly neutral vs. significant outflow prior to launch of WealthSolutions – Financial Advice: adviser numbers +15%; premium advised +30%; FUMA +11% • Due to its targeted approach, ClearView has avoided most current industry profitability issues (e.g. Group Life and Income Protection losses) • UNPAT +23% but profits remain suppressed given current levels of investment and the existence of expense overruns ($7.7m in FY14), which are expected to reduce over the medium term as scale is achieved
Market Outlook	• Long-term market outlook appears positive : – Life: Total life market has grown 10%[2] p.a. last two years and is forecast to grow 7%-12%[3] over next 10-15 years. – Wealth: Retail FUM market has grown 12%[2] p.a. last two years and future growth is expected to be supported by the increasing Superannuation Guarantee
Business Outlook	• ClearView continues to execute on its strategy by: – Focusing on profitable market segments and not being "all things to all people" – Retaining its appeal to financial advisers with quality products and services – Leveraging off the material investment made to date in the direct life business and gaining further traction through strategic partners and lead generation sources – Entering the 3rd phase of the investment "J Curve" by investing in a contemporary wealth platform to support the existing portfolio and new mid market wealth product to expand market reach in wealth management (circa $3.5m UNPAT negative impact in FY15) – Implementing a high growth strategy has required investment in a cost structure prior to the realisation of revenue benefits. These expense overruns depress initial reported profits but should eliminate as scale is achieved, thereby increasing underlying profit margins through the in-force portfolio – ClearView is currently in advanced negotiations with a dealer group that if successful is likely to accelerate the growth opportunity by materially expanding the distribution footprint of ClearView[1]

ClearView remains well positioned for continued growth with a supportive shareholder base

Note 1: ClearView cautions, however, that negotiations are ongoing and ClearView can give no assurances as to whether such a transaction will proceed, and, if so, on what terms. ClearView will immediately inform shareholders if these negotiations develop such that further disclosure is required
Note 2: Plan for Life (September 2013)
Note 3: DEXX&R (June 2012)

ClearView

FY2014 Results

APPENDIX

Consolidated Result: Shareholder View[1] – FY2014

ClearView

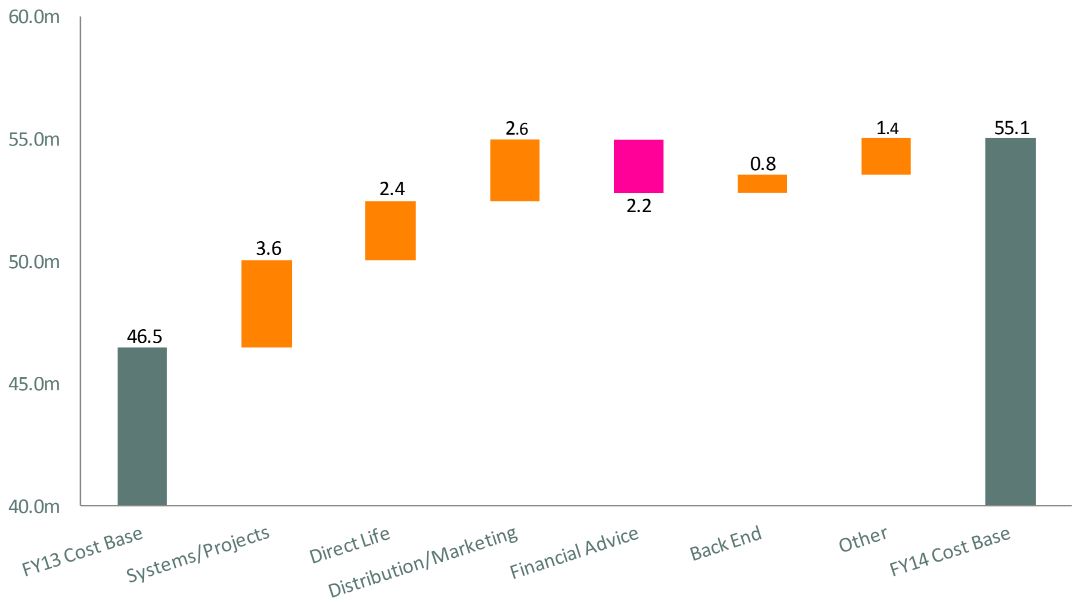
$M, YEAR END JUNE 2014	2013	2014	% CHANGE[2]	2014 1H	2014 2H	% CHANGE[2]	% CHANGE 2HFY13 v 2HFY14
Gross life insurance premiums	55.2	76.8	39%	36.2	40.6	12%	39%
Fund management fees	29.3	30.4	4%	15.3	15.1	-1%	4%
Financial advice fees	39.7	45.6	15%	23.1	22.5	-3%	9%
Interest income	5.3	4.3	-19%	1.9	2.4	30%	9%
Gross Income	**129.5**	**157.1**	**21%**	**76.6**	**80.5**	**5%**	**21%**
Net claims incurred	(16.1)	(14.3)	-11%	(6.3)	(8.0)	28%	-2%
Reinsurance premium expense	(4.4)	(10.3)	136%	(3.8)	(6.5)	72%	168%
Commission and other variable expenses	(50.0)	(65.5)	31%	(31.9)	(33.6)	5%	31%
Funds management expenses	(5.7)	(5.7)	0%	(2.8)	(2.9)	5%	5%
Operating expenses	(46.5)	(55.1)	18%	(27.4)	(27.7)	1%	17%
Movement in policy liabilities	16.0	22.0	38%	8.6	13.4	55%	99%
Underlying NPBT	**22.8**	**28.2**	**24%**	**13.0**	**15.2**	**17%**	**41%**
Income tax (expense) / benefit	(6.8)	(8.5)	26%	(3.9)	(4.6)	19%	40%
Underlying NPAT	**16.0**	**19.7**	**23%**	**9.1**	**10.6**	**16%**	**41%**
Amortisation of Intangibles	(7.5)	(7.4)	-2%	(3.7)	(3.7)	0%	-2%
Tax Effect and Other	2.5	(0.6)	NM	0.8	(1.4)	NM	NM
Policy Liability Discount Rate Effect	(2.3)	2.2	NM	(2.5)	4.7	NM	NM
Takeover/ Restructure related costs	(6.8)	0.0	NM	0.0	0.0	0%	-100%
Reported NPAT	**1.9**	**13.9**	**642%**	**3.7**	**10.2**	**173%**	**317%**
BUSINESS UNIT P&L							
Life Insurance	8.4	10.8	29%	4.7	6.1	29%	40%
Wealth Management	6.6	5.9	-11%	3.0	2.9	-4%	1%
Financial Advice	0.8	3.5	355%	1.8	1.7	-4%	415%
Listed Entity and Other	0.2	(0.5)	NM	(0.4)	(0.1)	-73%	101%
Underlying NPAT	**16.0**	**19.7**	**23%**	**9.1**	**10.6**	**17%**	**41%**

- Strong growth in life insurance resulting from the emergence of profit off the increased average in-force premium. Key non expense experience items in life insurance (versus planned assumptions):
  - Positive life insurance claims experience in FY14 (+$1.1m); and
  - Adverse life insurance lapse experience in FY14 (-$0.9m).
- FUM (+8%) has been positively impacted by favourable investment markets with net flows being broadly neutral. Positive impact on fees (+4%) from investment markets and lower than anticipated discontinuance rates partially offset by margin compression.
- FUMA has also been positively impacted by the recruitment of aligned advisers (+11%).
- Cost base increase (+18%) from investment in business. Given the growth profile of the business, the cost to income ratio has reduced from 46.5% to 44.6%; Expense overruns of $7.7m excluding deferred acquisition expenses in Life Insurance. Refer to next slide for details.
- Negative impact from reduced investment earnings given the reduction in interest rates and between periods dividends/capital management initiatives (-$0.7m vs FY13).
- Other adjustments impacted reported profit as outlined on Slide 28.

Note 1: Shareholder view excludes the life investments contracts (i.e. unit linked business) and deconsolidates retail unit trusts and reflects fees earned by the shareholder less expenses incurred. Note 2: % change represents the movement from FY13 to FY14 or 1H to 2H FY14. Note 3: Cost to income ratio is calculated as operating expenses divided by gross income excluding interest income (FY14: $4.3m; FY13: $5.3m) and the financial advice fee revenue from dealer services (aligned advisers) that has a net off on the commission expense line (FY14: $29.4m; FY13: $24.3m)

Cost Base – Investment Ahead of Earnings

FY13 vs FY14 Cost Base



- Implementing a high growth strategy (effectively across 3 "J Curves") has required investment in a cost structure prior to the realisation of revenue benefits;
- ClearView is investing in operating costs above what is required for the current scale (expense overruns of $7.7m in FY14) to build capability for the future. These expense overruns depress initial reported profits but should eliminate as scale is achieved, thereby increasing underlying profit margins through the in-force portfolio.

System/ Projects – this relates to the investment in the business to further develop the front and back end systems and processes. This investment in systems and processes to support the growth strategy is expected to continue, noting the significant investment in wealth management in FY15.

Direct Life – This relates to the direct life insurance strategy implementation and ramp up costs. ClearView reinvested in the business in FY14 including the recruitment of a new direct team and set up of a call centre in Parramatta. This has led to additional costs (invested in the business ahead of earnings).

Distribution/ Marketing – The distribution/ front end costs in life insurance include the development of a national presence and the related build out of the business development team (BDMs). The initial focus of the life insurance BDMs through the growth phase is on adviser recruitment and broadening out the representation of the LifeSolutions product on APLs, which will change the mix of adviser support over time as further critical mass in new business is achieved. The sales per unit of BDM cost should increase (unit costs reduce) over time but in the initial growth phase BDMs are necessarily recruited ahead of sales. Distribution also includes an initial investment in wealth management to broaden the base of WealthSolutions, with further investment likely following the launch of WealthFoundations in FY15. There has also been an increased investment in marketing to further support the growth of the business.

Financial Advice – restructure of the financial advice business by rationalising the branch network and reorganising the service model. This had led to a reduction in the cost base of the financial advice business notwithstanding the further investment made to support a broader base of advisers across the dealer group.

Back End/ Other - The back end relates to increases in the functional areas to support the growth in the front end of the business. These include administration, call centre and dealer group support costs. Other business support costs should reduce "per customer" as the scale of the business increases. This includes the "spreading" of the costs of the shared services functions as the business grows.

Other Adjustments – FY2014

$M, OTHER ADJUSTMENTS	2013	2014	% CHANGE[1]	2014		% CHANGE[1]
				1H	2H	
Policy liability effect from change in discount rates	(2.3)	2.2	NM	(2.5)	4.7	NM
Takeover bid related costs	(5.9)	0.0	-100%	0.0	0.0	0%
Restructure costs	(0.9)	0.0	-100%	0.0	0.0	0%
Income tax effect	2.5	(0.6)	NM	0.8	(1.4)	NM
Total Other Adjustments (After Tax)	**(6.6)**	**1.6**	**NM**	**(1.7)**	**3.3**	**NM**

- The policy liability discount rate effect is the result of the changes in long term discount rates used to determine the insurance policy liabilities. The life insurance policy liability (based on AIFRS) is discounted using market discount rates that typically vary at each reporting date and create volatility in the policy liabilities and consequently earnings. ClearView separately reports this volatility which represents a timing difference in the release of profit and has no impact on underlying earnings. This movement in policy liability creates a cash flow tax effect. The decrease in long term discount rates over the last 12 months caused a positive profit impact.
- Takeover bid related costs incurred in FY13 related to the 2012 CCP Bidco takeover bid, including adviser fees, legal fees, retention bonuses and ESP expenses associated with the accelerated vesting of shares (as a result in the change of control).
- Restructure costs in FY13 relate to costs incurred in regional office closures and lease termination costs, legal fees and other restructure related costs in the financial advice business.
- Income tax effects includes the tax effect of the adjustments where applicable (assessable or deductible for tax purposes).

Note 1: % change represents the movement from FY13 to FY14 or 1H to 2H FY14 .

Life Insurance – FY2014

$M, YEAR END JUNE 2014	2013	2014	% CHANGE[1]	2014 1H	2014 2H	% CHANGE[1]	% CHANGE 2HFY13 v 2HFY14
Gross life insurance premiums	55.2	76.8	39%	36.2	40.6	12%	39%
Interest income	2.1	2.3	10%	1.1	1.2	6%	5%
Net claims incurred	(16.1)	(14.3)	-11%	(6.3)	(8.0)	28%	-2%
Reinsurance premium expense	(4.4)	(10.3)	136%	(3.8)	(6.5)	72%	168%
Commission and other variable expenses	(16.2)	(25.5)	57%	(11.6)	(13.9)	20%	77%
Operating expenses	(24.5)	(35.6)	45%	(17.5)	(18.1)	3%	45%
Movement in policy liabilities	16.0	22.0	38%	8.6	13.4	55%	99%
Underlying NPBT	**12.1**	**15.4**	**28%**	**6.7**	**8.7**	**31%**	**40%**
Income tax (expense) / benefit	(3.7)	(4.6)	27%	(2.0)	(2.6)	29%	40%
Underlying NPAT	**8.4**	**10.8**	**29%**	**4.7**	**6.1**	**29%**	**40%**
Amortisation of Intangibles	(1.4)	(1.4)	0%	(0.7)	(0.7)	0%	0%
Tax Effect and Other	0.7	(0.6)	NM	0.8	(1.4)	NM	NM
Policy Liability Discount Rate Effect	(2.3)	2.2	NM	(2.5)	4.7	NM	NM
Takeover/ Restructure related costs	0.0	0.0	0%	0.0	0.0	0%	0%
Reported NPAT	**5.4**	**11.0**	**102%**	**2.3**	**8.7**	**283%**	**147%**

KEY STATISTICS AND RATIOS	2013	2014	% CHANGE[1]	2014 1H	2014 2H	% CHANGE[1]	% CHANGE 2HFY13 v 2HFY14
New Business (Life)	19.4	27.4	41%	12.9	14.5	13%	53%
LifeSolutions (Life)	16.9	23.6	40%	11.5	12.1	5%	45%
Non Advice (Life)	2.5	3.8	48%	1.4	2.4	70%	111%
In-Force (Life)	62.1	87.5	41%	73.8	87.5	19%	41%
LifeSolutions (Life)	21.0	45.2	115%	32.6	45.2	38%	115%
Non Advice (Life)	41.1	42.3	3%	41.2	42.3	3%	3%
Cost to Income Ratio	44.5%	46.3%	-	48.3%	44.4%	-	-

- Growth of LifeSolutions has been strong, with risk premium growing at 40% over the past 12 months. LifeSolutions in-force premium is $45.2m as at 30 June 2014 (+115%), representing 52% of the total life insurance in-force book.
- Investment in the direct life business has shown signs of early success and momentum through the financial year with life sales increasing by 48% over FY13 (annualised run rate of circa $5.4m p.a). New direct in-force book was $5.6m; old book in-force premium of $36.8m.
- Experience analysis in FY14 (refer to next slide)
- Commission expense variable cost driven by increased volume of life insurance new business activity. Other external includes variable component related to stamp duty and medicals necessary to underwrite a policy.
- An increase in operating expenses relates to:
  - Distribution costs including the development of a national presence;
  - Investment to further develop the systems and processes necessary to support growth;
  - Investment in direct life as outlined previously in the presentation; and
  - An increased shared services cost allocation into life as the business grows.
- All life insurance acquisition related costs are deferred within the policy liabilities in accordance with the accounting standards.
- An increase in interest income was realised given the reallocation of shareholder cash to the life insurance segment (to support the growth in the business and its related capital requirements).

Note 1: % change represents the movement from FY13 to FY14 or 1H to 2H FY14.

Life Insurance – FY2014 Analysis of Profit

ClearView

$M, YEAR END JUNE 2014	2014 ACTUAL
Actuarial planned profit after tax	15.1
Claims experience	1.1
Lapse experience	(0.9)
Expense experience	(4.5)
Other	0.1
Underlying NPAT	**10.8**

- Actuarial planned profit after tax reflects the expected profit margins based on actuarial assumptions ($15.1m in FY14). Expense overruns were $4.5m (relative to planned margins) - Refer to commentary below.
- Favourable claims experience profit (after tax) of $1.1m compared to an adverse experience variation in FY13 of $1.9m (relative to planned margins). Given the current size of the life insurance portfolio and reinsurance arrangements in place (arrangements vary by product) some statistical claims volatility can be expected. Claims experience is anticipated to average out over time at the actuarial best estimate assumptions. As the in-force of LifeSolutions grows, with higher reinsurance arrangements in place, the relative claims volatility will reduce from period to period.
- Adverse lapse experience relative to the rates assumed in the life insurance policy liability (determined at 30 June 2013) with an experience loss of $0.9m (after tax) in FY14 (relative to planned margins) ($0.8m loss in FY13). The adverse lapse experience predominantly offset the favourable claims experience. The adverse lapse experience was partly driven by lapse losses incurred on new direct business written via certain channels over the last two years, which have now been closed to new business (some continuing adverse experience on the in-force business from these channels was expected in FY14). The business written pre 2011 has displayed adverse lapse experience over recent periods. The new LifeSolutions business has displayed favourable lapses to date which has partially offset the negative experience by the other channels.
- Market competitive premium rates implicitly support market average participant (scale) expense rates. Expense margins available are therefore proportional to new business premium written and in-force premium revenues. Emerging life insurers invest and incur overhead costs ahead of "getting to scale". As the business gets to scale, these costs are progressively supported by business volumes that create operating leverage. Expense overruns depress initial reported profits; these should eliminate as scale is achieved, thereby increasing underlying profit margins through the in-force portfolio. Given the investment phase of the business, this resulted in a maintenance expense experience loss of $4.5m for the year.

Wealth Management – FY2014

ClearView

$M, YEAR END JUNE 2014	2013	2014	% CHANGE[1]	2014 1H	2014 2H	% CHANGE[1]	% CHANGE 2HFY13 v 2HFY14
Fund management fees	29.3	30.4	4%	15.3	15.1	-1%	4%
Interest income	1.2	0.8	-33%	0.4	0.4	-9%	3%
Variable expense	(6.9)	(7.1)	3%	(3.5)	(3.6)	3%	7%
Internal advice fee (Master Trust)	(6.7)	(6.4)	-5%	(3.2)	(3.2)	-2%	1%
Platform fee (WealthSolutions)	(0.2)	(0.7)	221%	(0.3)	(0.4)	52%	99%
Funds management expenses	(5.7)	(5.7)	0%	(2.8)	(2.9)	5%	5%
Operating expenses	(8.8)	(10.4)	17%	(5.3)	(5.1)	-3%	8%
Underlying NPBT	**9.1**	**8.0**	**-12%**	**4.1**	**3.9**	**-5%**	**-3%**
Income tax (expense) / benefit	(2.5)	(2.1)	-16%	(1.1)	(1.0)	-7%	-14%
Underlying NPAT	**6.6**	**5.9**	**-11%**	**3.0**	**2.9**	**-4%**	**1%**
Amortisation of Intangibles	(5.3)	(5.2)	-1%	(2.6)	(2.6)	0%	0%
Tax Effect and Other	0.0	0.0	0%	0.0	0.0	0%	0%
Policy Liability Discount Rate Effect	0.0	0.0	0%	0.0	0.0	0%	0%
Takeover/ Restructure related costs	0.0	0.0	0%	0.0	0.0	0%	0%
Reported NPAT	**1.3**	**0.7**	**-47%**	**0.4**	**0.3**	**-28%**	**17%**

KEY STATISTICS AND RATIOS	2013	2014	% CHANGE[1]	2014 1H	2014 2H	% CHANGE[1]	% CHANGE 2HFY13 v 2HFY14
Wealth (Net Flows)	(16.5)	(8.4)	49%	5.2	(13.6)	NM	NM
Master Trust (Net Flows)	(198.2)	(161.3)	19%	(79.5)	(81.8)	-3%	-8%
WealthSolutions (Net Flows)	181.7	152.9	16%	84.7	68.2	-20%	-36%
Wealth Total (FUM) ($b)	1.5	1.7	8%	1.6	1.7	2%	8%
Master Trust (FUM) ($b)	1.3	1.3	-4%	1.3	1.3	-3%	-4%
WealthSolutions (FUM) ($b)	0.2	0.4	79%	0.3	0.4	24%	79%
Cost to Income Ratio	30.1%	34.3%	-	34.5%	34.4%	-	-

- Net increase in FUM levels (+8%) driven by the positive performance of investment markets.
- New business is written into WealthSolutions at lower margins than the in-force Master Trust products; fee income increased by 4% given margin compression (run off of Master Trust business is assumed in the EV calculations).
- Internal advice fee represents inter segment advice fee (50bps) paid to financial advice on Master Trust FUM; reduction in line with average FUM.
- Platform fees increased in line with the average WealthSolutions FUM levels and average account balances (outsourced variable cost structure).
- Funds management expenses remained broadly in line (even though FUM +8%).
- Increased cost base (+17%) due to investment in wealth distribution and marketing, coupled with increase in allocation of shared service costs.
- Expense overruns of $2.2m driven by shared service infrastructure costs; WealthSolutions continues to build to scale coupled with the anticipated launch of WealthFoundations in FY15 that should over time absorb the shared infrastructure.
- Reduction of investment earnings given shift in capital to support growth of life insurance.

Note 1: % change represents the movement from FY13 to FY14 or 1H to 2H FY14.

Financial Advice – FY2014

$M, YEAR END JUNE 2014	2013	2014	% CHANGE[1]	2014 1H	2014 2H	% CHANGE[1]	% CHANGE 2HFY13 v 2HFY14
Financial advice fees	39.7	45.6	15%	23.1	22.5	-3%	9%
Interest & other income	0.4	0.2	-46%	0.1	0.1	29%	41%
Financial advice fees and related expense	(26.9)	(33.0)	22%	(16.8)	(16.2)	-4%	12%
Operating expenses	(12.1)	(7.9)	-35%	(3.9)	(4.0)	1%	-33%
Underlying NPBT	**1.1**	**5.0**	**361%**	**2.6**	**2.4**	**-9%**	**442%**
Income tax (expense) / benefit	(0.3)	(1.5)	447%	(0.8)	(0.7)	-3%	571%
Underlying NPAT	**0.8**	**3.5**	**355%**	**1.8**	**1.7**	**-4%**	**415%**
Amortisation of Intangibles	(0.9)	(0.8)	-8%	(0.4)	(0.4)	-16%	-16%
Tax Effect and Other	0.1	(0.0)	-134%	0.0	0.0	-45%	-45%
Policy Liability Discount Rate Effect	0.0	0.0	0%	0.0	0.0	0%	0%
Takeover/ Restructure related costs	0.0	0.0	0%	0.0	0.0	0%	0%
Reported NPAT	**0.0**	**2.7**	NM	**1.4**	**1.3**	**-9%**	**NM**

KEY STATISTICS AND RATIOS	2013	2014	% CHANGE[1]	2014 1H	2014 2H	% CHANGE[1]	% CHANGE 2HFY13 v 2HFY14
Cost to Income Ratio	78.8%	48.6%	-	49.5%	47.8%	-	-
FUMA ($b)	3.7	4.1	11%	3.8	4.1	7%	11%
PUA	73	94	30%	79	94	19%	30%

- Number of aligned advisers has increased by 15% over FY14; Fee income (+15%) and advice fee expenses driven by recruitment of aligned advisers into dealer group (limited impact on margin due to adviser split arrangements).
- Advice fee expense also impacted given mix of business and shift of certain employed planners to franchised model (benefit on operating expense line).
- $4.1bn of FUMA and $94m of PUA; $1.7bn in WealthSolutions and Master Trust; $29m of life premium in LifeSolutions.
- Growth in FUMA levels also positively impacted by the strong performance of investment markets.
- Dealer group model was restructured with a rationalised branch footprint and a restructured service model resulting in a reduction in costs.
- Material reduction in allocation of shared service overhead given growth in other segments.
- Reduction in other income due to raising of PI claims recoveries in prior period.

Note 1: % change represents the movement from FY13 to FY14 or 1H to 2H FY14 Note 2: Cost to income ratio is calculated as operating expenses divided by financial advice fees but excluding fee revenue from dealer services (aligned advisers) that has a net off on the commission expense line (FY14 $29.4m; FY13: $24.3m)

Listed Entity – FY2014

$M, YEAR END JUNE 2014	2013	2014	% CHANGE[1]	2014		% CHANGE[1]	% CHANGE 2HFY13 v 2HFY14
				1H	2H		
Interest income	1.6	1.0	-40%	0.3	0.7	116%	16%
Operating expenses	(1.0)	(1.2)	29%	(0.7)	(0.5)	-29%	-13%
Underlying NPBT	**0.6**	**(0.2)**	**NM**	**(0.4)**	**0.2**	**NM**	**97%**
Income tax (expense) / benefit	(0.4)	(0.3)	-34%	(0.0)	(0.3)	NM	138%
Underlying NPAT	**0.2**	**(0.5)**	**NM**	**(0.4)**	**(0.1)**	**-64%**	**101%**
Amortisation of Intangibles	0.0	0.0	0%	0.0	0.0	0%	0%
Tax Effect and Other	1.7	0.0	-100%	0.0	0.0	0%	-100%
Policy Liability Discount Rate Effect	0.0	0.0	0%	0.0	0.0	0%	0%
Takeover/ Restructure related costs	(6.8)	0.0	-100%	0.0	0.0	0%	-100%
Reported NPAT	**(4.9)**	**(0.5)**	**-90%**	**(0.4)**	**(0.1)**	**-64%**	**-89%**

- Segment represents the interest income on the cash equivalents held in the listed and central services entities and in the shareholders fund of ClearView Life Assurance Limited, the Group's life insurance subsidiary, less the costs associated with maintaining a listed entity.
- The Company manages capital at the listed entity level in accordance with its ICAAP.
- The reduction in the UNPAT is predominantly driven by the reduced interest income from the payment of dividends in the first half of FY13 and the investment of capital in ClearView Life (reflective of the growth profile of this business), combined with reducing market interest rates over FY13.
- Successful capital raising of $44.9m in March 2014 resulting in positive impact on interest income in Q4 FY14.
- Operating costs increased partly due to change in composition of Board structure post takeover.
- Takeover costs relate to the after tax costs associated with the 2012 takeover bid.

Note 1: % change represents the movement from FY13 to FY14 or 1H to 2H FY14.

Embedded Value and Capital Position

APPENDIX

Embedded Value (EV) Movement Analysis @ 4% DM by Segment AT 30 JUNE 2014

MOVEMENT ANALYSIS @ 4% dm ($m)	Life	Wealth	Advice	Net Worth	Total
EV - 30 June 2013 (As Published)	**189.1**	**51.4**	**29.7**	**21.0**	**291.2**
Net Capital Applied	27.0	(7.0)	0.0	24.9	44.9
EV - 30 June 2013 @ 4% dm and post dividends/capital applied	**216.1**	**44.4**	**29.7**	**45.9**	**336.1**
Expected Gain	13.8	3.5	1.8	0.6	19.7
VNB Added	8.0	2.9	(1.4)	0.0	9.5
Impact of Claims	1.1	0.0	0.0	0.0	1.1
Impact of Discontinuances	(1.6)	1.1	0.4	0.0	(0.1)
Impact of Maintenance Expenses	(4.4)	(2.0)	2.7	0.0	(3.7)
Listing Expenses	0.0	0.0	0.0	(0.8)	(0.8)
FUMA Mark to Market	0.0	1.4	0.6	0.0	2.0
Other	(2.6)	0.3	(3.1)	0.6	(4.8)
EV at 30 June 2014 @ 4% dm	**230.4**	**51.6**	**30.7**	**46.3**	**359.0**

Embedded Value (EV) Movement Analysis Commentary

Reference	EV Impact	Reason for Movement
Net Capital Applied	$44.9m	Completion of the successful capital raising in March 2014 (+$45.4m), less share issues costs incurred (-$0.5m net of tax); The net impact of the FY13 final dividend, DRP and related repayment of ESP loans by participants given their ineligibility to participate in the DRP (+$0.4m) and shares bought back in the market through the on-market buyback program (-$0.4m)
Expected Gain	$19.7m	Expected gain represents the unwind of the discount rate within the value of in-force and investment earnings on net worth
VNB Added	$9.5m	The value added by new business written over the period. The current value of new business is suppressed by the start up and growth costs incurred. The acquisition cost overruns should decrease as the business grows, providing it with operating leverage. The financial advice business had a negative value of new business of $1.4m that was a drag on the VNB. This is as a result of the acquisition expenses incurred relative to new business generation but is offset by the positive maintenance expense impact outlined below
Claims	$1.1m	The claims experience across all product lines was favourable in FY14. Given the current small size of the insurance portfolio, some claims volatility from period to period is to be expected
Discontinuance	($0.1m)	The life insurance lapses impact (-$1.6m) was driven by lapse rates for the old book being higher than expected (noting lapse rates for the more recent LifeSolutions business have been better than expected and the tail of the run off of the terminated direct life distribution relationships). This was predominantly offset by the positive impact from lower discontinuance rates for the wealth management and financial advice businesses (+$1.5m)
Maintenance Expenses	($3.7m)	This relates to the maintenance expense overruns versus the long term unit costs assumed in the EV. Emerging life insurers and wealth managers invest and incur overhead costs ahead of "getting to scale". The expenses rates assumed in the EV are based on longer term unit costs, as opposed to current "expense overrun" levels. As business gets to scale, these costs are progressively supported by business volumes that creates operating leverage. Expense overruns depress the EV initially; these are likely to be eliminated as scale is achieved, thereby increasing underlying profit margins through the in-force portfolio and removing the drag on the EV. The financial advice business had a positive maintenance expense variance of $2.7m that reduced the overruns in the life insurance (-$4.4m) and wealth management (-$2.0m) businesses. This is as a result of the restructured service model and rationalisation of the branch network and offsets the negative impact on the value of new business as outlined above
Listing Expenses	($0.8m)	Expenses were impacted by the Group's listed overhead costs which are not allowed for in the Embedded Value (-$0.8m)
FUMA Mark to Market	$2.0m	The net investment performance on the funds under management and advice over the period resulted in higher fee income relative to expectations over the period and a higher present value of future fees at the end of the period
Basis and Assumption Changes	($4.8m)	This includes the net effect of capital reallocations by segment, model enhancements, timing effects, actuarial assumption changes, capital base changes and the non-cash ESP expenses. The lapse rate assumptions were amended to reflect current experience. A modest improvement in the lapse rate assumption for LifeSolutions was adopted offset by a material strengthened lapse rate assumption on the old book, the net one-off impact of which reduced the EV by $7.6m

Net Assets & Capital Analysis at 30 June 2014

ClearView

RECONCILIATION OF NET ASSETS TO SURPLUS CAPITAL ($m):	Life	Wealth	Advice	Other	Total
Net Assets (Balance Sheet)	**201.7**	**20.9**	**16.1**	**71.5**	**310.2**
- Goodwill & Intangibles	(5.5)	(1.3)	(8.2)	(26.8)	(41.8)
Net Tangible Assets	**196.2**	**19.6**	**7.9**	**44.7**	**268.4**
- Deferred Acquisition Costs	(146.8)	(0.1)	-	-	(146.9)
- Other Adjustments to Capital Base	(0.4)	(0.1)	-	(3.6)	(4.1)
Capital Base (APRA)	**49.0**	**19.4**	**7.9**	**41.1**	**117.4**
- Prescribed Capital Amount, Regulatory Capital	(4.0)	(9.9)	-	(2.4)	(16.3)
- IB Risk Capital	(19.1)	(4.5)	(2.5)	(3.5)	(29.6)
- IB Working Capital	(22.0)	(3.5)	-	(20.5)	(46.0)
Excess Assets over Internal Benchmarks	**3.9**	**1.5**	**5.4**	**14.7**	**25.5**

- Surplus Capital represents surplus capital above internal benchmarks (IB). IB (Risk and Working Capital) exceeds the regulatory requirements.
- Adjustments are made to the Capital Base for various asset amounts which are deducted, for example deferred acquisition costs (DAC), intangibles, goodwill and deferred tax assets (net of deferred tax liabilities).
- ClearView capital is currently rated Common Equity Tier 1 capital in accordance with the APRA capital standards.
- Internal Benchmarks include capital held for the protection of ClearView's regulatory capital position in respect of risk outcomes where the regulatory capital cannot be readily accessed and to protect the various entities' regulatory licences. It includes a working capital reserve of $46m as at 30 June 2014 to fund anticipated new business growth over the medium term.

Net Worth Reconciliation at 30 June 2014

RECONCILIATION OF NET ASSETS TO SURPLUS CAPITAL:	Life	Wealth	Advice	Other	Total
Net Assets	**201.7**	**19.4**	**16.1**	**73.0**	**310.2**
- Less Goodwill and Intangible Assets (excl Capitalised Software)	-	-	(8.2)	(26.7)	(34.9)
- Capital included in VIF	(163.4)	(9.9)	(1.2)	-	(174.5)
Net Worth	**38.3**	**9.5**	**6.7**	**46.3**	**100.8**
- Overhead & New Business Capital	(37.9)	(9.2)	(1.8)	(26.4)	(75.3)
Excess Assets over Internal Benchmarks	**0.4**	**0.3**	**4.9**	**19.9**	**25.5**

- The EV effectively involves incurring a "cost" for the capital held to support the in-force business. This is the capital that is included in the Value of in-force (VIF).
- The net worth is the net tangible assets not allocated to the capital reserves supporting the in-force business. Such assets are valued at face value as per the Balance Sheet.
- ClearView adopts an economic capital model that is allowed for in the EV to support the risk profile of the business.
- For all segments the regulatory capital base plus the relevant part of the internal benchmarks related to the in-force portfolio is adopted as the economic capital base in the VIF calculation. This excludes capital held for new business (acquisition related) and any regulatory amounts that would not be required on a transfer of the business to an acquirer, which is valued at face value as part of the net worth calculation.

FY2014 Impact of ESP Shares

APPENDIX

Impact of ESP shares

PER SHARE CALCULATIONS

YEAR END JUNE 2014 $M, (UNLESS STATED OTHERWISE)	FY14
Number of shares on issue	495.0m
ESP shares on issue	49.4m
Shares on issue to calculate NAV per share (A)	544.4m
Net assets	310.2
ESP loans	28.7
Proforma net assets (B)	338.9
Fully diluted NAV per share = (B)/(A)	62.3 cents
Underlying NPAT	19.7
Fully diluted underlying NPAT per share[1]	4.41 cents

- Accounted for as an option in accordance with AASB 2
- Limited recourse loan not reported as a receivable on Balance Sheet
- Loan repaid with cash if shares are "in the money"
- 49.4 million Employee Share Plan (ESP) shares on issue and $28.7 million loans receivable at 30 June 2014
- Underlying NPAT is the Boards key measure of profitability and the basis on which dividends are determined.

Note 1: Weighted average number of shares used for the purpose of calculating fully diluted underlying NPAT per share to take account of ESP shares on issue during the year (5.2 million).

Glossary

Accidental death	Provides a lump sum benefit in the event of the accidental death of the person insured.
APL	Approved Product List
EV	Embedded Value
FUA	Funds Under Advice that are externally managed and administered (Third Party Products)
FUM	Includes Funds Under Management (ClearView Master Trust and Managed Investment Schemes) and Funds Under Administration on WealthSolutions. It does not include FUA
FUMA	Funds Under Management and Advice
Funeral plan	Provides a lump sum funeral benefit in the event of death or terminal illness of the person insured. Lower sums insured offered than those under Life/Term Insurance. Guaranteed acceptance product (which means no underwriting).
Income protection	Provides an ongoing monthly benefit if the person insured is unable to work due to sickness or injury. Can generally cover up to 75% of income and benefit period can be up to age 70. Fully underwritten product.
Injury cash	Provides a lump sum benefit in the event of accidental: death; TPD; loss of limbs; severe burns; and broken bones. Benefit payable depends upon the event. Guaranteed acceptance product (which means no underwriting).
LifeSolutions	A suite of life insurance cover types available via financial advisers which include Life, TPD, Trauma, Income Protection and Business Expense Cover. Fully underwritten product.
PUA	In-force life insurance Premiums Under Advice
Term Life	Provides a lump sum benefit in the event of the death or terminal illness of the person insured.
TPD	Provides a lump sum benefit in the event that the person insured is totally and permanently disabled as a result of sickness or injury and unlikely to be able to ever do their own or any occupation or home duties again, depending on the definition of the policy. Fully underwritten product.
Trauma	Provides a lump sum benefit in the event that the person insured is diagnosed with a specific medical condition as defined in the policy document. Policies may cover up to 45 conditions but the majority of the claims in the industry are a result of: cancer; heart attack; and stroke.
WealthSolutions	ClearView wrap platform investment product offering
Wrap Platform	Investment wrap administration platform including 250 managed funds, ASX listed securities, term deposits, ClearView managed funds and model portfolios