ClearView Wealth Limited
Half Year Ended 31 December 2014 - Results

25 February 2015

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Agenda

A	**Overview and Strategy**
B	1H FY2015 Results
C	1H FY2015 Operational Highlights and 2H 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: $101m
(+37% yoy)

Life Advice

- Products: Comprehensive life advice product suite (LifeSolutions)
- Distribution: Financial advisers in the ClearView/ Matrix dealer groups 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: $1.77b
(+9% yoy)

Products:

- WealthSolutions:
  - Superannuation and IDPS wrap
  - 250 managed funds, ASX equities, term deposits, multiple model portfolios
- WealthFoundations:
  - Menu of 16 models with transparent investment in underlying managers
  - Launched October 2014
- Master Trust:
  - Life investment products
- Retail MIS (incl. on wrap)

Distribution: Financial advisers in the ClearView/Matrix dealer groups

Financial Advice
Dealer Groups
AFSL Holders

216 advisers (+98% yoy)
$160m PUA (+102% yoy)
$7.4b FUMA (+95% yoy)

ClearView and Matrix Dealer Groups

- 216 financial advisers; growth driven by merger with Matrix and further recruitment of self employed advisers into ClearView dealer group;
- $160m life premiums under advice (of which $36m is in LifeSolutions);
- $7.4bn FUMA (of which $0.5bn is in WealthSolutions, $0.05bn is in WealthFoundations and $1.2bn 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
- Matrix merger completed in October 2014
- 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 31 December 2014 percentage increase relative to 31 December 2013.

Strategic market positioning of ClearView

ClearView

	Bank Aligned	International	Australian Non-Bank	
Current	CommInsure, Westpac, OnePath (a company of ANZ), asteron, MLC, Macquarie, BT Insurance	Zurich, AIA, TAL	AMP	ClearView
Legacy	Aviva, Transamerica, Legal & General, Colonial, Prudential, St.George, ANZ, nab, Royal & SunAlliance + Many others	Friends Provident, Prefsure, Lumley Insurance + Advance, FAI, Adriatic, Guardian, NZI Life	AXA, GIO, AC&L	None

- The market is relatively consolidated and with significant positions from larger institutions (particularly bank owned). These institutions often have legacy issues (partly driven by acquisitions);
- This creates opportunities for a challenger such as ClearView which is positioning itself as a nimble challenger in the retail life insurance market;
- As a non-bank aligned, Australian-owned life insurer with life and wealth licences, ClearView is a differentiated business with limited legacy issues.

ClearView is executing on its strategy

ClearView

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)
- LifeSolutions product upgrade (completed Sept 14); continue to upgrade supporting technology and further expand distribution footprint (FY15+)
- Matrix merger to strengthen distribution support in line with ~~its~~ growth strategy
- LifeSolutions new business continues to grow (+15% in 1H FY15); LifeSolutions in-force premium is $57.5m (+76% growth on 1H FY14)

+

2 Direct Life

- Profitable base business acquired in June 2010 with limited legacy issues (old book)
- 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 out of direct life business in FY15; leverage off the material investment made to date to gain further traction
- Distribution and lead generation expansion
- Direct life new business growing strongly (+185% in 1H FY15); In-force premium is $43.9m (Old Book -4%; New Direct +120% growth on 1H FY14)

+

3 Wealth Management

- Profitable wealth business acquired in June 2010 albeit with significant outflows (circa $150m per annum outflows)
- Third phase of "J Curve" investment in wealth in FY15 (around $3.5m UNPAT negative impact, of which $1.6m incurred in 1H FY15); build out of a new compliant, scalable and functional wealth platform, launch of WealthFoundations in 1H FY15
- $26m net flow positive in 1H FY15 driven by the launch of WealthFoundations; In-force FUM of $1.77bn (+9% growth on 1H FY14). $0.56bn on new products since Dec 2011
- Matrix merger to strengthen distribution support in line with growth strategy

- 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 on the growing in-force portfolio.

Building an integrated Life and Wealth player

- **Convergence of superannuation and life insurance;**
- **Tax effective and now also has more common capital /governance requirements due to Stronger Super et al;**
- **Innovation and differentiation: ability to use the regulatory licences of ClearView;**
- **Requires modern contemporary platform to position for the increased convergence of superannuation and life insurance;**
- **Life insurance cross sell potential through distribution force that is in place today, expanding to third party distribution over time;**
- **Development of new platform launch of WealthFoundations;**
- **Enables ClearView to now participate in the broader accumulation segment through client base of ClearView/ Matrix advisers**

	Main Features of WealthFoundations
Positioning	• Competitive mid-market product targeted at the pre-retirement market
Integrated with LifeSolutions	• 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 (16 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

- The focus will be on broadening the distribution of the recently launched WealthFoundations product to further improve net flows and the further build out of the new compliant and functional wealth platform with subsequent migration of the Master Trust product onto the new platform

Matrix merger and integration update

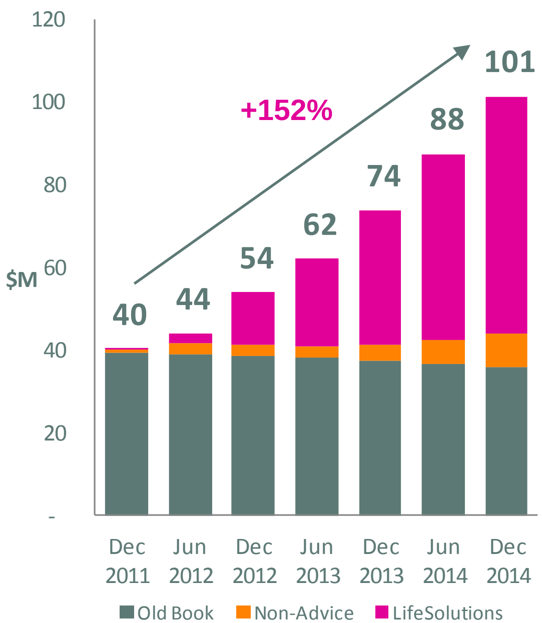
1 **Strong Brand**	✓	• Matrix has a very strong brand in the independent advice market; • Enhanced ability to attract and recruit financial advisers by leveraging off non bank aligned model and brand
2 **Cultural Alignment**	✓	• Cultural alignment with ClearView financial advisers; high quality independently minded advisers • Advisers of Matrix are well known to ClearView and are culturally aligned with the values and processes • Not “all things to all people”; focus is on quality over quantity
3 **Enhanced distribution scale**	✓	• Provides enhanced and strengthened distribution support; • Assist ClearView in achieving operating leverage by scaling faster through an expanded supportive adviser base; • Key performance metrics show significant scale increases; combined FUMA of $7.4b, PUA of $160m and 216 advisers
4 **Skin in the game**	✓	• ClearView management and advisers are material owners of shares; • Matrix was 78% owned by advisers; post transaction performance based shares means significant component of purchase price aligned to ClearView outcomes
5 **Financially Attractive**	✓	• UNPAT contribution of $0.2m in 1H FY15 (from 10 October) but this result included a one-off tax benefit of $0.1m; not expected to contribute materially to UNPAT in FY15; • UNPAT accretive by FY16 with further improvements in profitability as revenue target is progressively achieved; strengthened adviser support has ability to deliver significant revenue synergies given ClearView’s market proven products but upfront investment in cost base to further service expanded advice business to flow through in 2H FY15 (impact on Life/Wealth segments); • $2.5m integration/deal costs in FY15, of which $1.8m incurred in 1H FY15 (reported below the line as a cost considered unusual to ordinary activities); Limited cost synergies through integration; • CBA Debt Funding Facility put in place in December 2014 to support growth.

- The integration of Matrix continues to proceed to plan; initial focus in 1H FY15 on completion/ integration with revenue benefits expected to flow through progressively over 2015 calendar year;
- Key achievements to date include cultural integration of advisers, relocation of premises, IT systems integration, commencement of the migration of Matrix adviser practices onto the ClearView adviser CWT system and alignment of corporate governance practices;
- Focus in 2H FY15 on development and roll out of best of breed quality advice processes, the continued migration of adviser practices onto the CWT system, commencement of branding initiatives and the achievement of performance based targets over time.

Key Performance Metrics: Highlights

Life Insurance

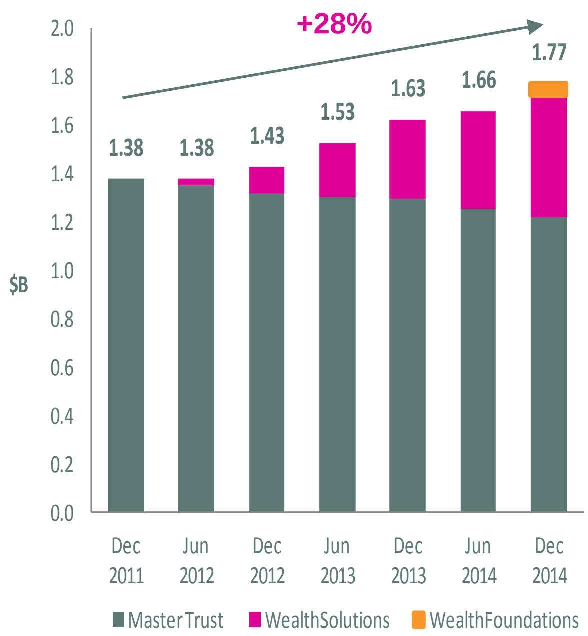
In-force Premium



- LifeSolutions in-force premium (+76%) is 57% of total in-force book
- Direct new business reflects strong growth with in-force book of $8.1m (+120%)
- Old book takes time to run off given age based and CPI premium increases (-4%)

Wealth Management

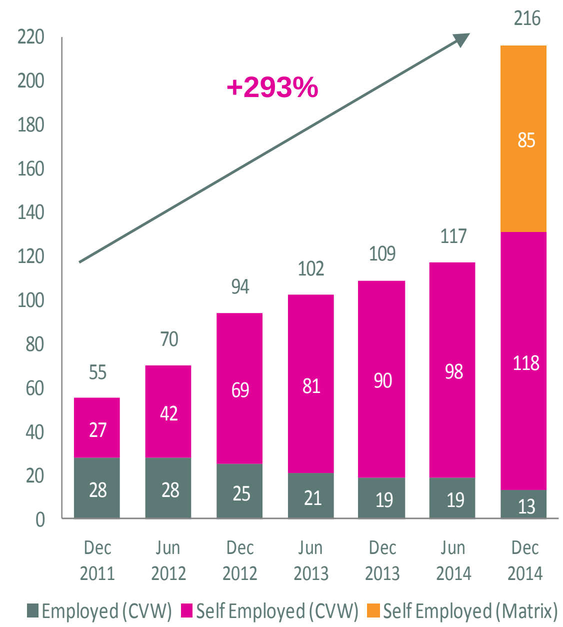
Funds Under Management



- Master Trust FUM closed; positively impacted by the performance of investment markets
- New business is written into WealthSolutions and WealthFoundations at lower margins;
- WealthSolutions FUM $502m,+54%; WealthFoundations FUM of $53m post product launch in October 2014

Financial Advice

Financial Advisers



- Number of financial advisers increased to 216 (+98%) following merger with Matrix
- Reflects significant change in advice business profile
- Focus on further recruitment of self employed advisers; ClearView advisers +20% excluding Matrix merger

Note 1: Numbers stated as at 31 December 2014; yoy growth rates relative to 31 December 2013.

Agenda

A Overview and Strategy

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1H FY15 Financial Highlights

Business Line	Metric	FY14		1H FY15	% Change[3]	Comments
		1H	2H			
Life Insurance	In-force Premium ($m)	73.8	87.5	101.4	37%	• Stepped change in distribution and growth profile • In-force premium: LifeSolutions $57.5m (+76%), New Direct $8.1m (+120%), Old Book $35.8m (-4%) • Growth in LifeSolutions; new business of $13.2m (+15%) • Investment in Direct building momentum; new business of $3.8m (+185%)
Life Insurance	New Business ($m)	12.9	14.5	17.0	32%	
Wealth Management	Closing FUM ($b)	1.63	1.66	1.77	9%	• Master Trust in-force FUM of $1.22bn (-6%) • WealthSolutions in-force FUM of $0.5bn (+54%) • WealthFoundations in-force FUM of $0.05bn, launched Oct 14 • $26m net flow positive over 1H FY15, driven by growth in WealthSolutions and launch of WealthFoundations • Positive impact from investment markets
Wealth Management	FUM Net Flows ($m)	5.2	(13.6)	25.7	Large	
Financial Advice	Number of Advisers	109	117	216	98%	• Recruitment of quality advisers continues, +20% excluding Matrix merger • FUMA and PUA growth reflects Matrix merger and recruitment of new advisers • $7.4bn FUMA in-force of which $1.77bn is in WealthSolutions, WealthFoundations and Master Trust products; $160m PUA in-force of which $36m is in LifeSolutions.
Financial Advice	FUMA ($b)	3.8	4.1	7.4	Large	
Financial Advice	Premium Advised ($m)	79	94	160	Large	
ClearView	Embedded Value ($m)[1]	306	359	369	4%[2]	• Benefited from in-force life growth and positive FUM impacts • Reflects negative experience from the maintenance expense overruns until they are eliminated
ClearView	Value of New Business ($m)[1]	5.8	3.7	6.8	17%	• Now positive and growing; will remain suppressed by acquisition expense overruns until they are eliminated
ClearView	Reported NPAT ($m)	3.6	10.3	7.7	Large	• Impacted by Matrix deal and integration related costs in 1H FY15; Volatile MTM[4] and timing effects • NPATA of $12.2m; adjusted to exclude the non-cash amortisation of acquired intangibles
ClearView	NPATA ($m)	7.4	13.9	12.2	Large	
ClearView	Reported diluted EPS (cps)	0.87		1.47	Large	
ClearView	Underlying NPAT($m)	9.1	10.6	9.9	9%	• UNPAT of $9.9m impacted by investment in wealth ($1.6m); Adjusted UNPAT of $11.3m, up 24% after removing impacts of investment in wealth and Matrix; • Expense overruns ($4.1m in 1H FY15) should be eliminated over time as scale is achieved • Underlying diluted EPS predominantly impacted by 70m shares issued in the capital raising in 2H FY14; capital set aside for growth in future periods
ClearView	Adjusted Underlying NPAT ($m)	9.1	10.6	11.3	24%	
ClearView	Underlying diluted EPS (cps) [5]	2.17		1.89	(13%)	
ClearView	Adjusted Underlying diluted EPS (cps) [5]	2.17		2.15	(1%)	
ClearView	Net Assets ($m)	255	310	332	7%[6]	• Net assets exclude ESP loans; includes net $12.5m performance based shares issued to Matrix

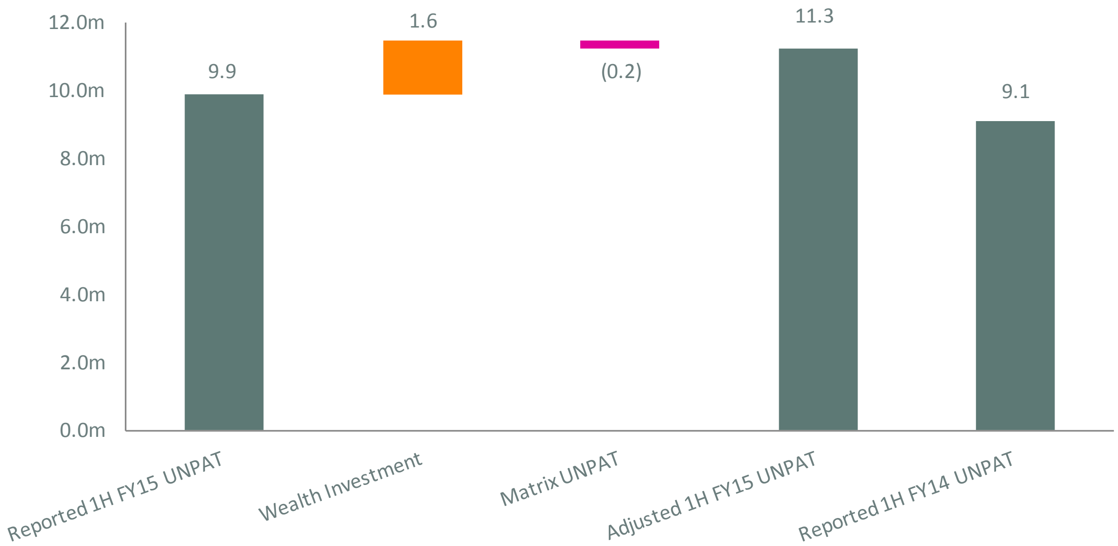
Note 1: EV and VNB at 4% discount rate margin; excludes a value for future franking credits and ESP loans. Note 2: % movement is relative to the 30 June 2014 EV adjusted for net capital applied during the period (-$7.9m) and the impacts on EV of the Matrix merger (+$4.7m). Note 3: YoY % move, December 2013 to December 2014 unless otherwise stated. Note 4: MTM – Mark-to-market affects include policy liabilities varying with discount rates required under AIFRS. Note 5: Refer to slide 42 for details of calculation for 1H FY15. Note 6: % movement is relative to the 30 June 2014

Summary Financials: 1H FY2015 by Segment

31 Dec 2014, $m	FY14 1H	FY14 2H	1H FY15	% Change[1]	Comments
Life Insurance Profit	4.7	6.1	7.3	55%	• Lapse and claims experience broadly offset; • Investment to continue build out of distribution network, functional areas and direct cost base given growth; Expense overruns of $2.2m depress initial reported profits; these should eliminate as scale is achieved, thereby increasing underlying profit margins through the in-force portfolio • Investment earnings higher given capital required to support growth.
Wealth Management Profit	2.9	3.0	1.1	(62%)	• Net increase in FUM levels (+9%) and net flow positive (launch of WealthFoundations); positive investment markets; WealthSolutions continues to build to scale. • New business written at lower margins than the existing in-force Master Trust; fee income remains flat; • Significant increase in cost base (+41%) given the investment in both a new platform and the incremental development and growth costs associated with WealthFoundations ($1.6m adverse impact in 1H FY15); • Wealth non deferred expense overruns therefore have increased to $2.2m ($1.0m in 1H FY14); impacts of 3rd phase of J curve investment in FY15; should eliminate when scale is achieved.
Financial Advice Profit	1.8	1.7	1.9	8%	• Fee income, excluding Matrix (+17%) driven by the recruitment of self employed advisers; limited impact on margin due to adviser split arrangements; • Further investment to support a broader base of advisers partially offset by reduction in operating expenses from employed planner transitions to the self employed model; • Matrix positive UNPAT impact of $0.2m for the period from 10 October 2014; includes a one-off tax benefit of $0.1m.
Listed Entity and Other	(0.3)	(0.2)	(0.4)	(32%)	• Increase in interest income given timing of $45m capital raising in 2H FY14,partially offset by the reallocation of shareholder cash between segments and Matrix cash purchase consideration; • Allocation of a component of shared services overhead to the listed entity in 1H FY15 ($0.2m).
Underlying NPAT	**9.1**	**10.6**	**9.9**	**9%**	• **Investment ahead of earnings ($4.1m impact in 1H FY15) are currently depressing profits. These expense overruns are expected to be eliminated over time as scale is achieved thereby increasing underlying profit margins on the growing in-force portfolios; Impacted by material investment in Wealth; $1.6m adverse UNPAT impact in 1H FY15**
Amortisation	(3.8)	(3.6)	(4.5)	18%	• Non cash item relating to acquired intangibles (predominantly from acquisition of business from Bupa); commencement of Matrix client book write off.
Other Adjustments	(1.7)	3.3	2.3	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 1H FY15 relate to Matrix deal and integration costs.
Reported NPAT	**3.6**	**10.3**	**7.7**	**114%**	• **NPATA (excluding the non-cash amortisation of acquired intangibles) of $12.2m (1H FY14: $7.4m)**

Note 1: % change represents the movement from 1H FY14 to 1H FY15.

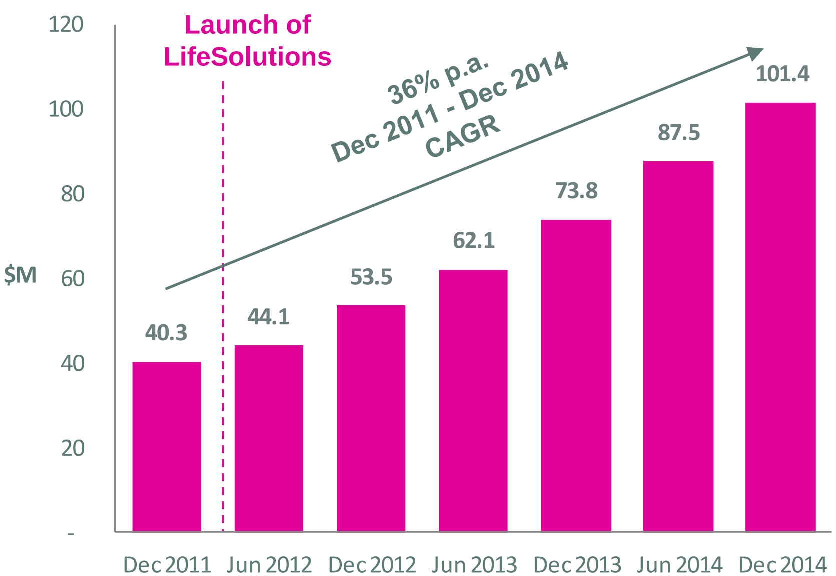
UNPAT in 1H FY15 impacted by investment in Wealth



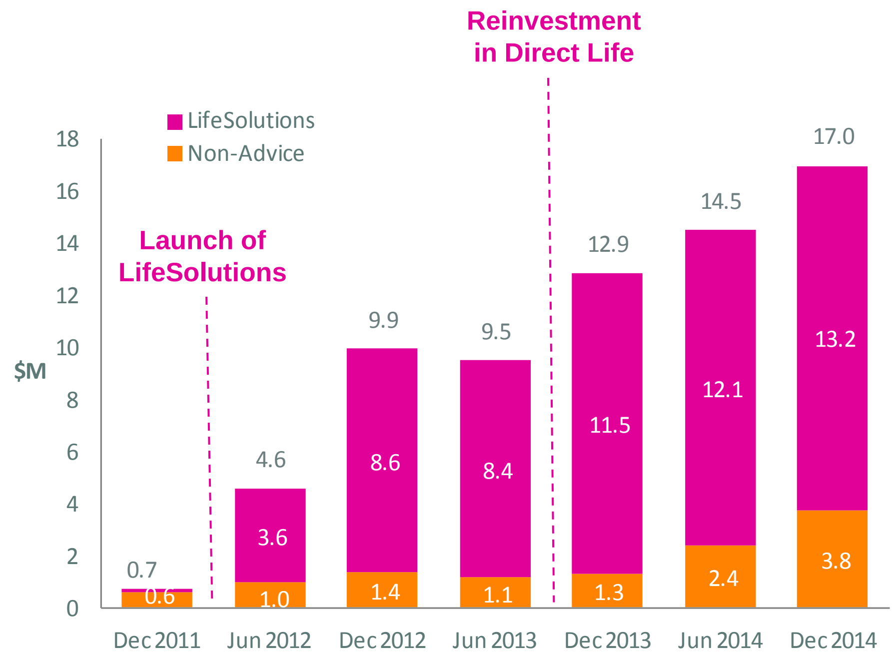
- The investment in the build out of a new platform and the development of WealthFoundations requires a material investment in FY15 (around a $3.5m UNPAT impact);
- In 1H FY15, this investment had a $1.6m adverse UNPAT impact; this includes the incremental investment in operating costs for the new WealthFoundations product without the associated revenue benefits as the product is rolled out, write off of the capitalised system build costs from the launch date and the costs associated with the commencement of the project to migrate the Master Trust product onto the new platform;
- The consolidation of the Matrix dealer group for the first time in the result. This had a positive UNPAT impact of $0.2m for the period from 10 October 2014, but this result included a one-off tax benefit of $0.1m;
- Reported UNPAT of $9.9m, up 9% on 1H FY14; adjusting for the above impacts results in an UNPAT of $11.3m, up 24% on 1H FY14.

Life Insurance: Significant Growth

IN-FORCE PREMIUM[1]



NEW BUSINESS[2]

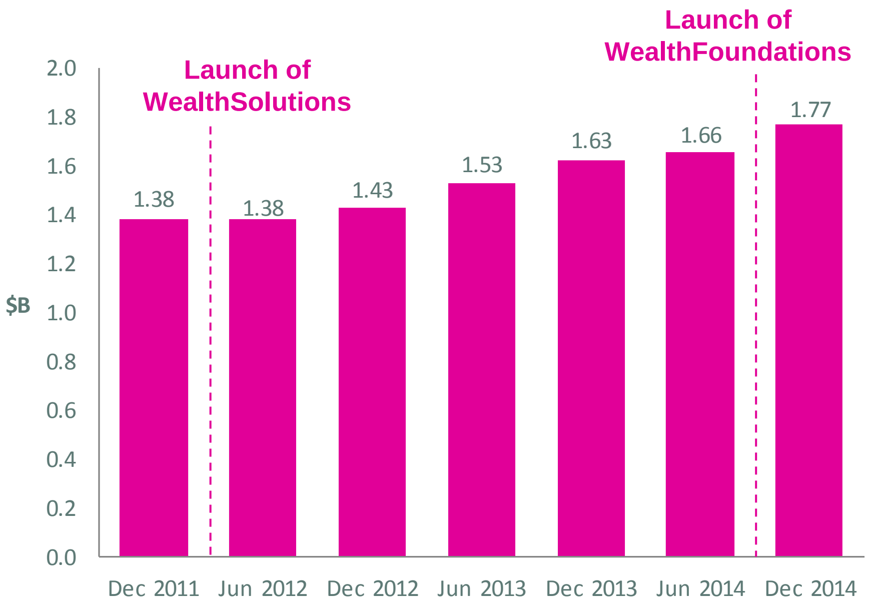


- In-force growth driven by launch of LifeSolutions suite of products which reflects the continued growth in the retail life advice market
- The investment in the direct life business has shown strong momentum through the first half of the year with sales increasing by 185% compared to1H FY14, albeit the distribution and product profile of the new direct life business has focused on the warm lead referral channels, resulting in some adverse lapse experience to date that is being addressed
- New business of $17.0m in the 6 months to 31 December 2014 compared to $12.9m in the 6 months to 31 December 2013 (+32%)
- LifeSolutions accounts for $57.5m or 57% of total in-force premium as at 31 December 2014

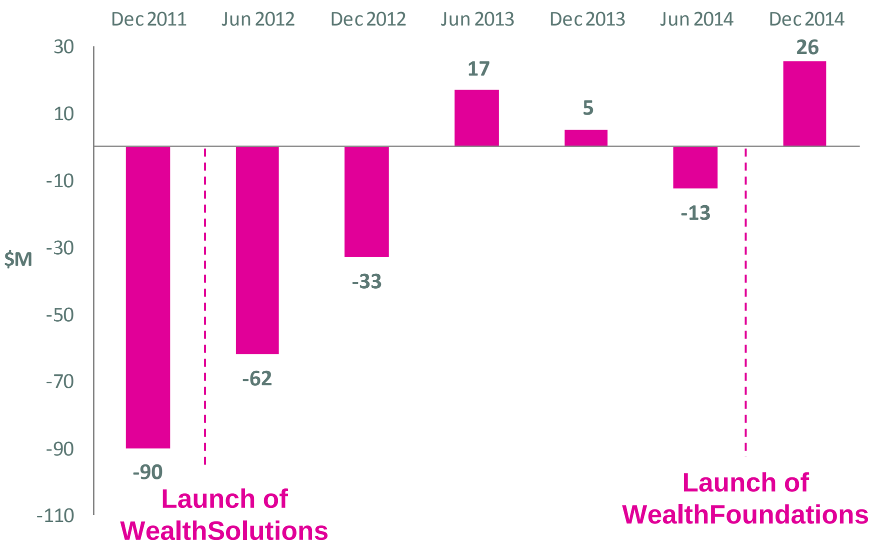
Note 1: In-force premium is defined as annualised premium in-force at the date based on policy risk commencement date.
Note 2: New business represents the amount of new annual written premium sold during the period, net of policies cancelled from inception. 1H FY14 numbers restated.

Wealth: Positive Net Flows and Launch of WealthFoundations

CLOSING FUM[1]



FUM[1] NET FLOWS[2]



- $26m FUM net flow positive in 1H FY15 following launch of WealthFoundations in October 2014.
- WealthSolutions as at 31 December 2014 accounted for $502m or 28% 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 has depressed profits for 1H FY15, with expected revenue benefits only expected to flow through in FY16; $53m on WealthFoundations at 31 December 2014

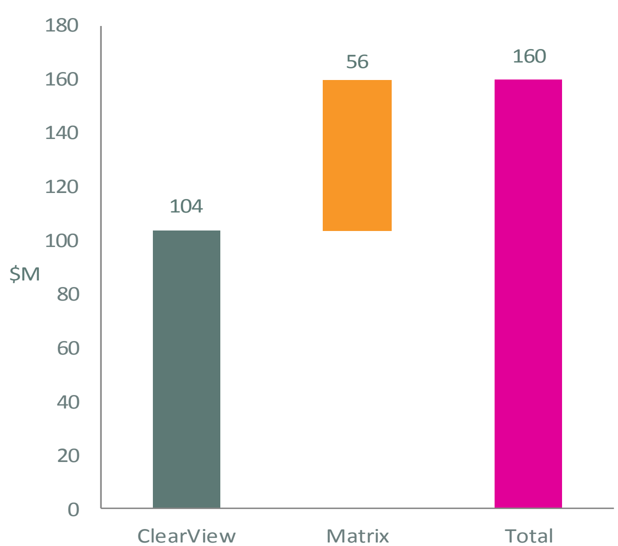
Note 1: FUM includes Funds Under Management (ClearView Master Trust, WealthFoundations and Managed Investment Schemes) and Funds Under Administration on WealthSolutions. It does not include funds under advice that are externally managed and administered.

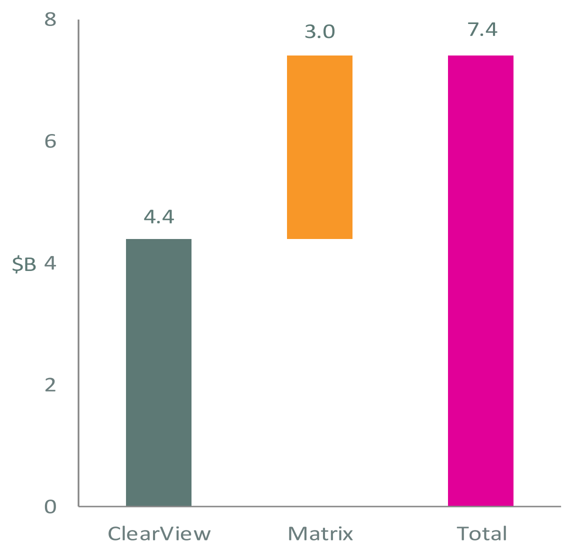
Note 2: FUM net flows is defined as inflows into FUM (net of internal transfers), less redemptions from FUM (net of internal transfers). Excludes management fees outflow.

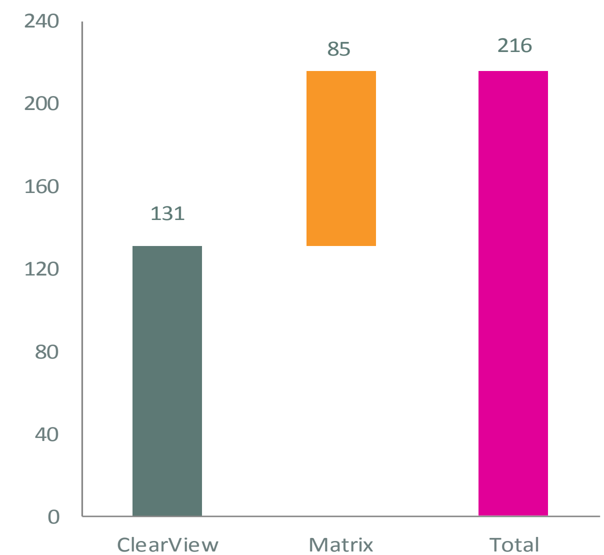
Matrix accelerates ClearView growth opportunity

ClearView

Life Insurance	Wealth Management	Financial Advice
Premium's Under Advice ($m) (PUA)	Funds Under Management and Advice ($b) (FUMA)	Financial Advisers







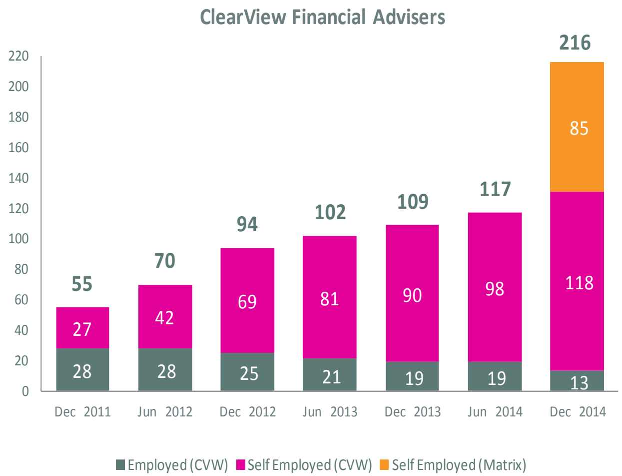
- Merger with Matrix increases the number of Authorised Representatives to 216, FUMA to $7.4b (of which $1.8b is in ClearView wealth products) and PUA to $160m (of which $36m is in LifeSolutions);
- ClearView operates predominantly a self employed adviser model with the number of advisers increasing to 131 at 31 December 2014; driven off the back of the organic growth recruitment strategy; focus on quality not quantity;
- Merger with Matrix provides the ability to deliver significant revenue synergies given ClearView's market proven products including the launch of WealthFoundations.

Note 1: Numbers as at 31 December 2014.

Product Distribution: Expanding Across Segments

Financial Advice

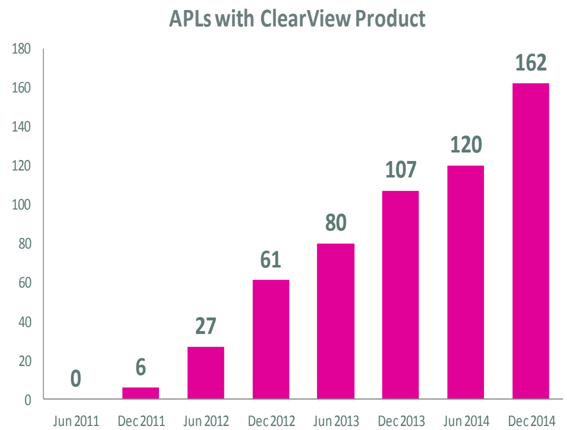
Successfully growing the network of financial advisers by leveraging off non bank aligned model; merger with Matrix



- Number of advisers has increased by 98% over the last 12 months following the merger with Matrix
- Dealer group has $7.4b of FUMA and $160m of PUA
- Expanded supportive adviser base with continued recruitment of self employed advisers

3rd Party Dealer Groups

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



- Number of Approved Product Lists (APLs) has increased to 162 at 31 December 2014 (+51% over the last 12 months)
- Focus on key advisers within third party dealer groups; "not be everything to everyone"

Strategic Partners

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

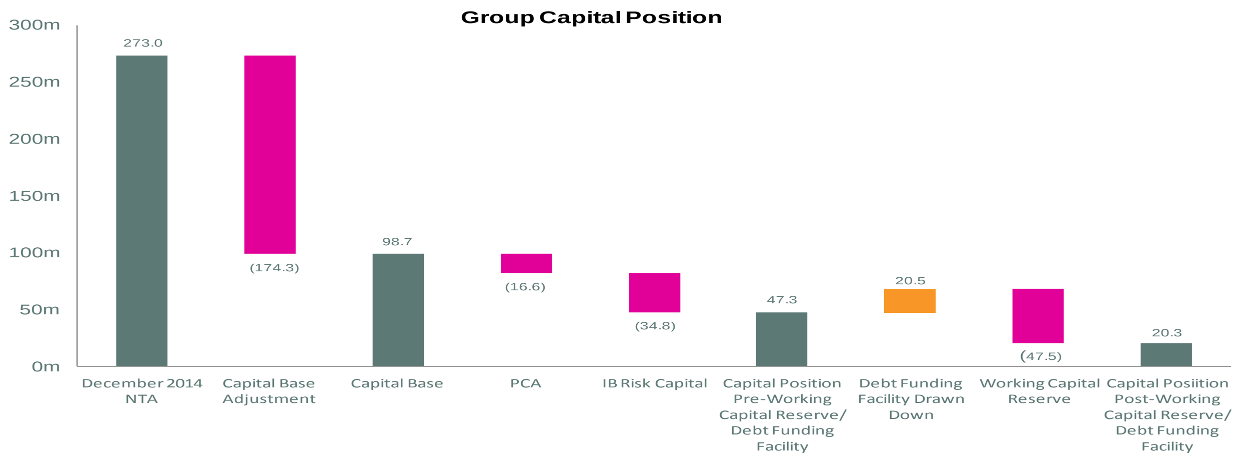
ClearView

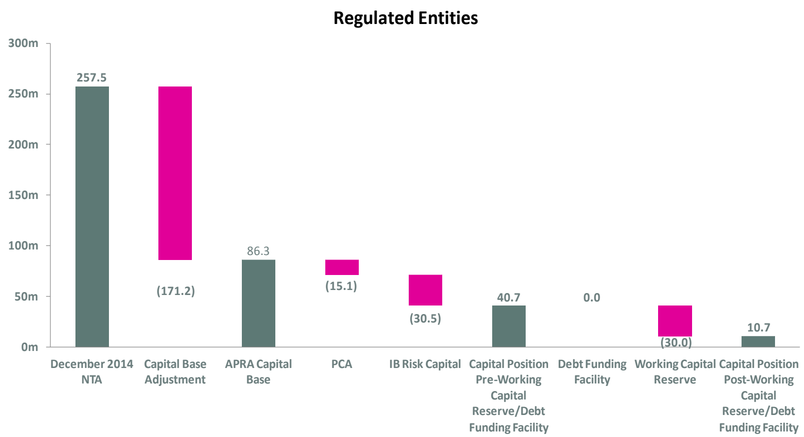
$M	Dec 2014	Jun 2014
ASSETS		
Cash equivalents	162.8	156.5
Receivables	11.0	6.2
Deferred tax asset (net)	3.5	3.7
PP&E	1.4	1.3
Convertible Note	1.1	0.3
Goodwill	19.9	4.8
Intangibles	38.9	36.9
Total Assets	**238.6**	**209.7**
LIABILITIES		
Payables	20.6	14.7
Current tax	2.3	4.6
Provisions	4.2	3.6
Life Insurance[2]	(140.8)	(123.4)
Borrowings	20.5	0.0
Total Liabilities	**(93.2)**	**(100.5)**
Net Assets	**331.8**	**310.2**
Net Assets per share[3]	63.0 cents	62.3 cents
Net Tangible Assets	**273.0**	**268.4**
NTA per share[3]	52.9 cents	54.6 cents

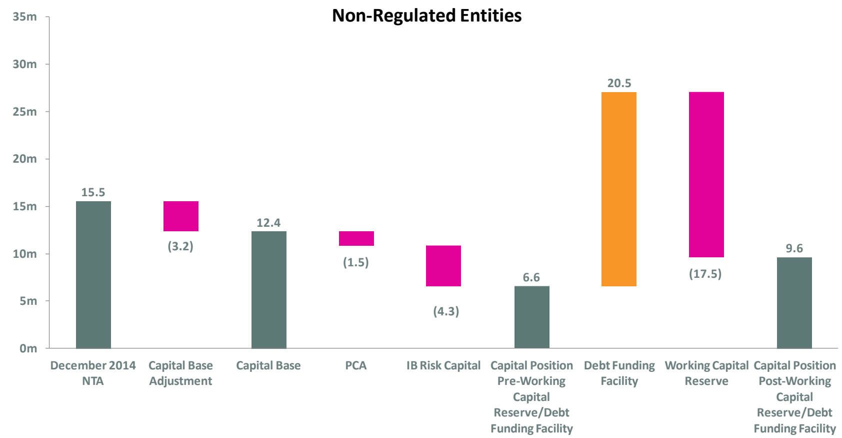
- Net cash of $142.3m at 31 December 2014;
- Entered into a 3 year, $50m facility (Debt Funding Facility) with CBA in December 2014; $20.5m drawn down as at 31 December 2014;
- $7.75m cash payment and 15.4m shares issued as contingent consideration for the purchase of Matrix; net positive impact on net assets of $12.5m from the issue of performance based shares;
- Goodwill of $15.1m and intangibles of $4.9m recognised on the acquisition of Matrix;
- Shareholder capital continues to be conservatively invested in cash and interest bearing securities;
- Convertible Note of $1.1m reflects amounts drawn down to date under $3m commitment to Your Insure;
- Intangible assets includes capitalisation of software ($8.2m carrying value) offset by amortised acquisition intangibles;
- Life insurance policy liability increase reflective of growth in life insurance business (DAC) partially offset by run-off of the in-force DAC;
- Receivables and payables increase predominantly relates to consolidation of Matrix for the first time and other amounts associated with the growth in businesses;
- The Group capital position (adjusting for amounts drawn down under the Debt Funding Facility) is $20.3m as at 31 December 2014. Internal benchmarks include $47.5m working capital reserve to fund new business growth.

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 $34.6m (1H FY14:$24.7m) and 56.5m (1H FY14: 44.1m) ESP shares.

Group Capital Position at 31 December 2014







- Net tangible assets of $273m at 31 December 2014 includes net cash of $142m
- ClearView entered into a 3 year, $50m facility in December 2014. It is intended that the Debt Funding Facility will be replaced with one or more longer term capital solutions as the need for, and quantum of, longer term capital funding emerges
- As at 31 December 2014, the regulated entities have $10.7m of net assets in excess of their internal benchmarks. The Group capital position (adjusting for amounts drawn down under the Debt Funding Facility) is $20.3m. Internal benchmarks across the Group include $47.5m working capital reserve to fund new business growth.
- While ClearView remains a high growth company (relative to the in-force portfolio) it will likely remain a negative cash flow business and require net capital funding.

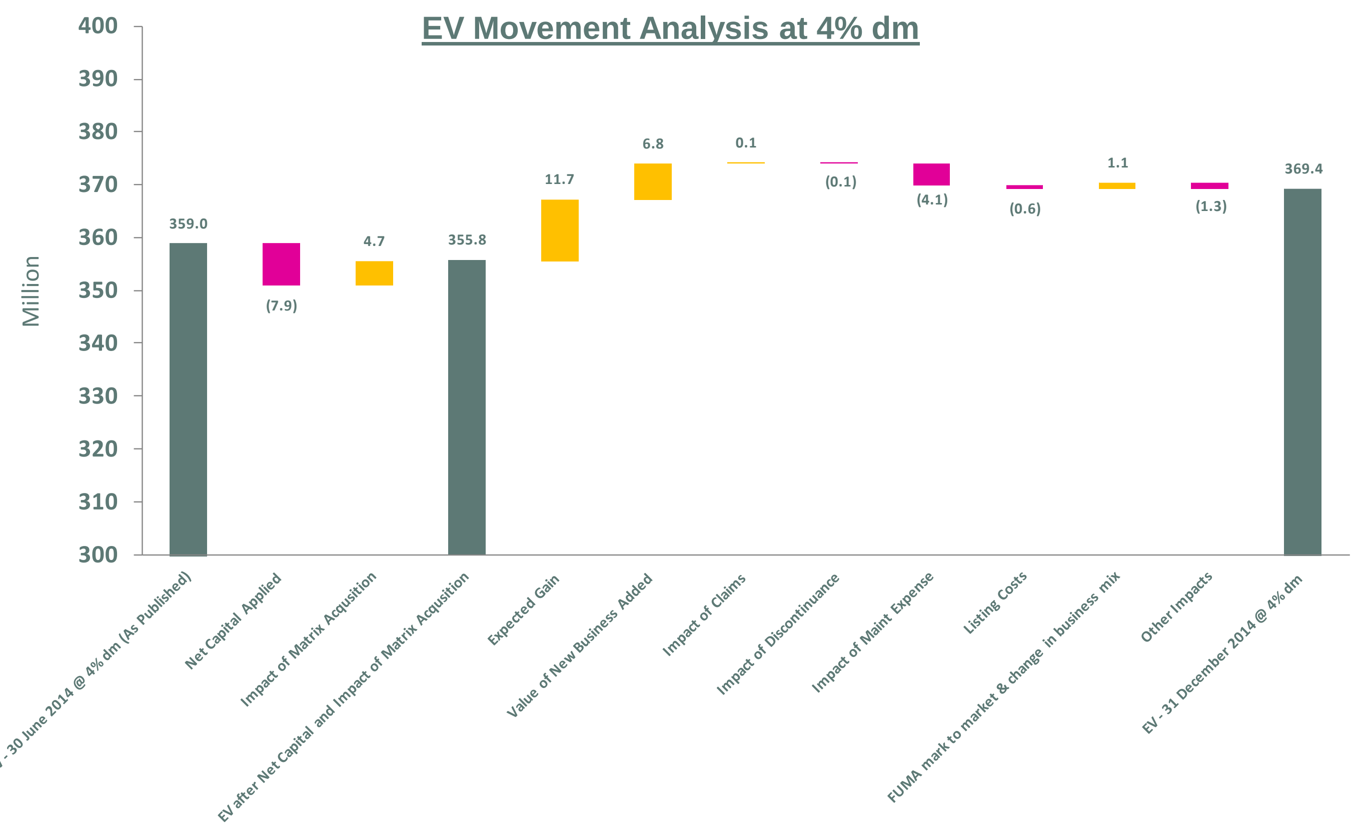
Note: Internal benchmarks exceed regulatory requirements.

Embedded Value (EV) AT 31 December 2014

RISK MARGIN OVER RISK FREE: $m (unless stated otherwise)	3% dm	4% dm	5% dm
Life insurance	231.1	217.9	205.9
Wealth management	43.6	41.7	40.1
Financial Advice	30.6	28.7	27.1
Value of In Force (VIF)	**305.3**	**288.3**	**273.1**
Net worth	81.1	81.1	81.1
Total EV excluding ESP Loans	**386.4**	**369.4**	**354.2**
ESP Loans	34.6	34.6	34.6
Total EV including ESP Loans	**421.0**	**404.0**	**388.8**
Imputation Credits:			
Life	36.8	34.6	32.6
Wealth	11.1	10.7	10.4
Financial Advice	8.4	8.2	8.0
Total EV including Imputation Credits and ESP Loans	**477.3**	**457.5**	**439.8**
EV per share including ESP Loans (cents)	**72.4**	**69.5**	**66.9**
EV per share including Imputation Credits and ESP Loans (cents)	**82.1**	**78.7**	**75.7**

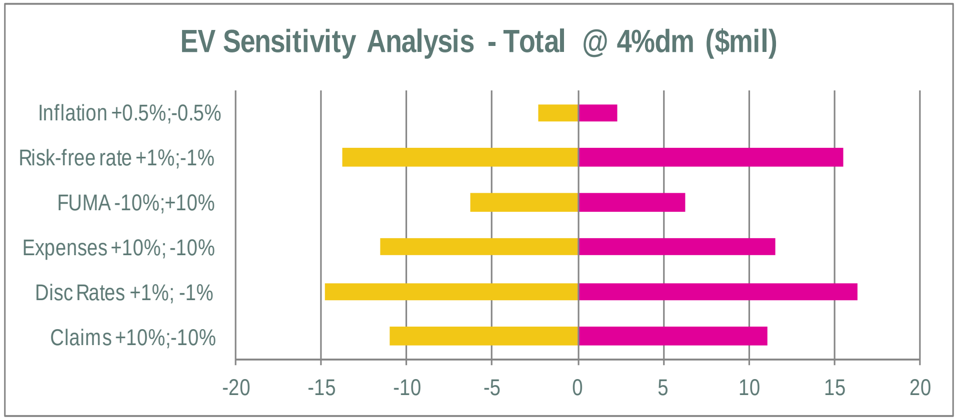
- The EV is made up of the value of the in-force (VIF) and the Net Worth;
- The EV is the value of all business written to date determined by actuarial assumptions and modelling. Note that:
  - The EV excludes the value of any future growth potential. It is based only on the in-force portfolios as at 31 December 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.
- EV per share adversely impacted in 1H FY15 by goodwill component of performance based shares issued to Matrix shareholders and shares issued under DRP
- “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 1H FY15 EV is 4% (1H FY14: 4%)

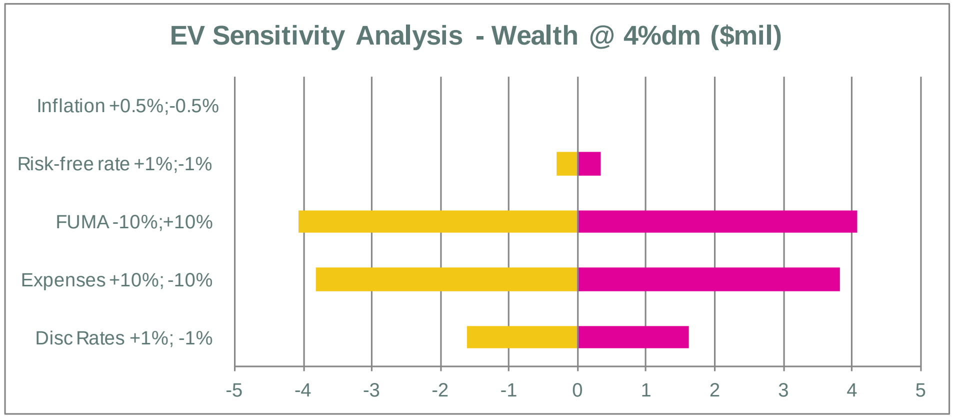
Embedded Value (EV) Movement Analysis @ 4% DM AT 31 DECEMBER 2014

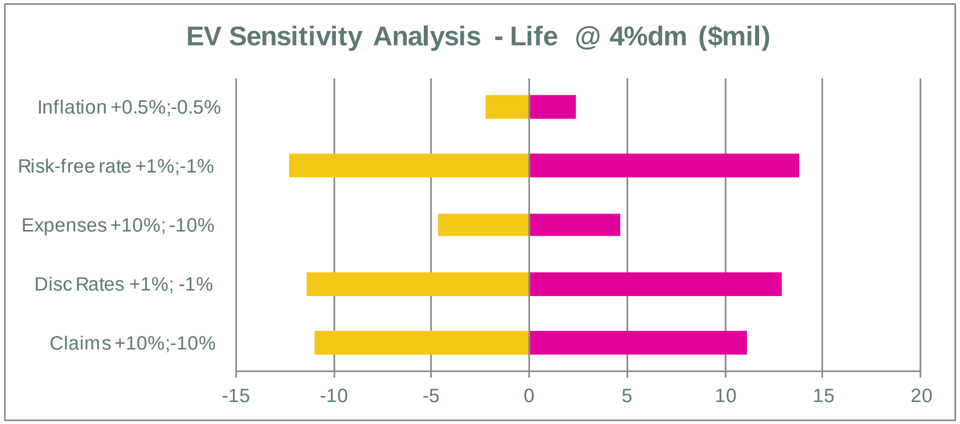


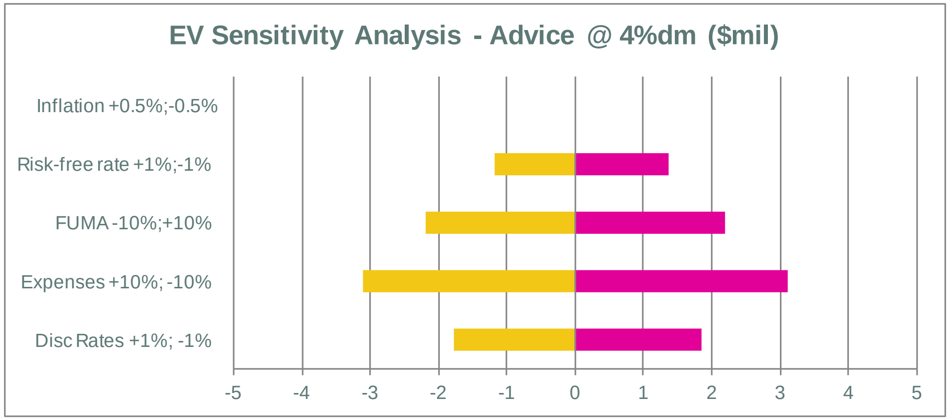
- Emerging life insurers and wealth managers invest and incur overhead costs ahead of “getting to scale”: The expense rates assumed in the EV are based on longer term unit costs, as opposed to current “expense overrun” levels
- As the business gets to scale, these costs are progressively supported by business volumes that creates operating leverage
- Expense overruns depress the growth in EV (-$4.1m in 1H FY15); these should eliminate as scale is achieved, thereby increasing underlying profit margins on the growing in-force portfolio and removing the drag on the EV
- EV increased by 4% from 30 June 2014, on a like for like basis, adjusting for impacts of net capital applied and acquired intangible under the Matrix merger
- Detailed EV commentary on the movement analysis is provided in the Appendix

Embedded Value (EV) Sensitivity Analysis @ 4% DM









Agenda

A	Overview and Strategy
B	1H FY2015 Results
C	**1H FY2015 Operational Highlights and 2H FY2015 Priorities**
D	Summary & Outlook

ClearView Execution Scorecard

	1H FY15 Operational Highlights	2H FY15 Priorities
Life Advice	• Implemented product upgrade in September 2014 to further improve the product features and offerings • Investment to support the growth and drive back-office efficiencies, and upgrade adviser interaction • Expanded geographic footprint (continued development of national presence and strengthened distribution team)	• Continue to upgrade the supporting technology • Continue to expand distribution footprint further by servicing the ClearView, Matrix and third party dealer groups
Life Direct	• Continued build out of call centre in Parramatta and direct team in line with growth in the business • Continue to build out the investment in infrastructure and technology • Launch of new partnership and funding arrangement with Your Insure	• Leveraging off the material investment made to date in the direct business and gaining further traction through strategic partners, Your Insure and lead generation sources • Refine the direct life product offering • Strong retention focus by channel
Wealth	• Material investment to build out a new compliant, scalable and functional wealth platform and launched WealthFoundations product targeted at the pre-retirement market in October 2014 • Servicing the ClearView dealer group to broaden distribution of WealthSolutions	• Complete build out of new platform in 2H FY15 with subsequent migration of the Master Trust product onto the new platform. Migration project to complete CY15 • Broadening the distribution of the recently launched WealthFoundations product to further improve net flows
Financial Advice	• Completed Matrix merger in October 2014; • Integration of Matrix including the cultural integration of advisers, relocation of premises, IT systems integration, commenced the migration of Matrix adviser practices onto the CWT system and alignment of corporate governance practices • Continued to expand adviser base through recruitment of self employed advisers	• Continue recruiting high quality advisers who have the right cultural fit for ClearView and Matrix. Quality over quantity • Continued integration of Matrix, best of breed quality advice processes, continued migration of adviser practices onto the CWT system, commencement of branding initiatives and the achievement of performance based targets over time

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

Agenda

A	Overview and Strategy
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D	**Summary & Outlook**

Summary and Outlook

Business Performance	• ClearView continues to invest for growth; completed its LifeSolutions product upgrade and launched WealthFoundations in 1H FY15 • Successfully completed the merger with Matrix with integration of the business proceeding to plan • Positive momentum in key operating metrics across the business in 1H FY15 vs. 1H FY14 – Life: In-force premium +37%; new business +32% – Wealth: FUM +9%; net flows $26m positive vs. significant outflow prior to launch of WealthSolutions in Dec 2011 – Financial Advice: Matrix merger represents stepped change; adviser numbers +98%; premium advised +102%; FUMA +95% • UNPAT +9% but 1H FY15 profits impacted by investment in wealth (+24% adjusted for this investment and Matrix contribution) • UNPAT remains suppressed given current levels of investment and the existence of expense overruns ($4.1m in 1H FY15), which are expected to reduce over the medium term as scale is achieved
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, Your Insure and lead generation sources with a strong retention focus – Executing on the 3rd phase of the investment "J Curve" by building out the contemporary new wealth platform to support the existing portfolio and WealthFoundations, with subsequent migration of Master Trust product (circa $3.5m UNPAT negative impact in FY15; impact of $1.6m in 1H FY15) – Continued integration of Matrix; Matrix materially expands the ClearView adviser base. Supportive advisers accelerate the growth opportunity – Implementing a high growth strategy requires 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 on the growing in-force portfolio • ClearView well positioned to gain from market disruption around life adviser remuneration changes

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

1H FY2015 Results

APPENDIX

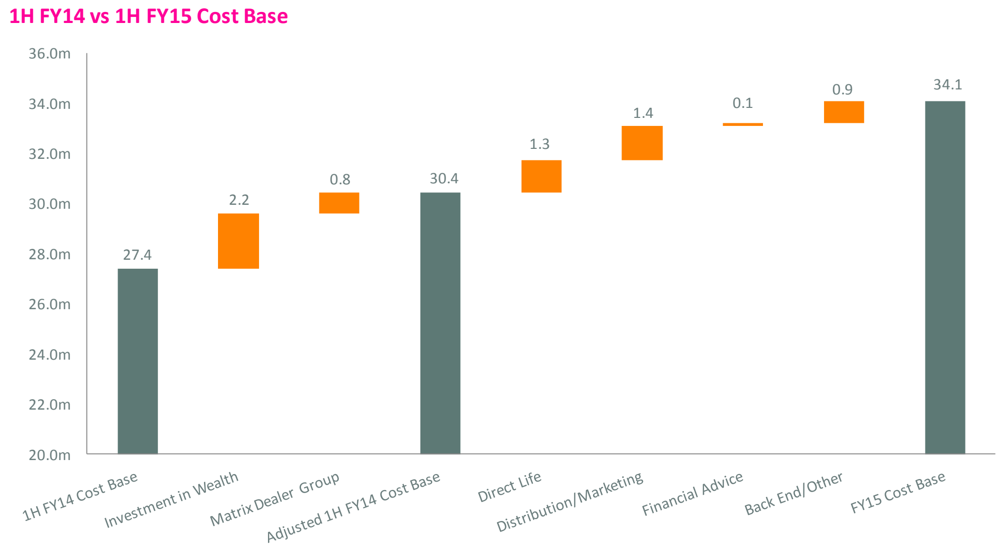
Consolidated Result: Shareholder View[1] – 1H FY2015

$M, 6 MONTHS TO DEC 2014	2014 1H	2014 2H	1H 2015	% CHANGE[2]
Gross life insurance premiums	36.2	40.6	49.6	37%
Fund management fees	15.3	15.1	15.2	-1%
Financial advice fees	23.1	22.5	34.2	48%
Interest income	1.9	2.4	2.6	34%
Gross Income	**76.6**	**80.5**	**101.6**	**33%**
Net claims incurred	(6.3)	(8.0)	(8.5)	35%
Reinsurance premium expense	(3.8)	(6.5)	(8.1)	113%
Commission and other variable expenses	(31.9)	(33.6)	(48.3)	51%
Funds management expenses	(2.8)	(2.9)	(3.3)	18%
Operating expenses	(27.4)	(27.7)	(34.1)	24%
Movement in policy liabilities	8.6	13.5	14.8	73%
Underlying NPBT	**13.0**	**15.2**	**14.1**	**9%**
Income tax (expense) / benefit	(3.9)	(4.6)	(4.2)	8%
Underlying NPAT	**9.1**	**10.6**	**9.9**	**9%**
Amortisation of Intangibles	(3.8)	(3.6)	(4.5)	18%
Tax Effect and Other	0.8	(1.4)	(1.1)	NM
Policy Liability Discount Rate Effect	(2.5)	4.7	5.2	NM
Matrix deal and integration costs	0.0	0.0	(1.8)	NM
Reported NPAT	**3.6**	**10.3**	**7.7**	**114%**
BUSINESS UNIT P&L				
Life Insurance	4.7	6.1	7.3	55%
Wealth Management	2.9	3.0	1.1	-62%
Financial Advice	1.8	1.7	1.9	8%
Listed Entity and Other	(0.3)	(0.2)	(0.4)	32%
Underlying NPAT	**9.1**	**10.6**	**9.9**	**9%**

- Strong growth in life insurance resulting from the emergence of profit due to the increased average in-force premium. Key non expense experience items in life insurance (versus planned assumptions):
  - Positive life insurance claims experience in 1H FY15 (+$0.1m); and
  - Adverse life insurance lapse experience in 1H FY15 (-$0.2m).
- FUM (+9%) has been positively impacted by favourable investment markets and positive net flows of $26m. Fees broadly in line given margin compression as the Master Trust business runs off and new business is written into WealthFoundations and WealthSolutions at lower margin;
- Investment in the wealth business had an adverse $1.6m UNPAT impact in 1H of FY15;
- Merger with Matrix contributed UNPAT of $0.2m from date of acquisition (10 October), albeit $0.1m one-off tax item;
- FUMA and premiums under advice has also been positively impacted by the Matrix merger and further recruitment of self employed advisers;
- Cost base increase (+24%) impacted by investment in wealth and Matrix consolidation for the first time. Given the growth profile of the business, the cost to income ratio has reduced from 46.1% to 45.7% (albeit impacted by the investment in wealth); Expense overruns of $4.1m excluding deferred acquisition expenses in Life Insurance. Refer to next slide for details
- 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 1H FY14 to 1H FY15. Note 3: Cost to income ratio is calculated as operating expenses divided by gross income excluding interest income (1H FY15: $2.6m; 1H FY14: $1.9m) and the financial advice fee revenue from dealer services and Matrix (self employed advisers) that has a net off on the commission expense line (1H FY15: $25.5m; 1H FY14: $15.2m) but including the Matrix net retained margin of $0.9m in 1H FY15.

Cost Base – Investment Ahead of Earnings



- 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 $4.1m in 1H FY15) given the investment in wealth and 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 on the growing in-force portfolio.

Investment in Wealth – This relates to the investment in both a new platform, costs associated with the commencement of the project to migrate the Master Trust product onto the new platform and the incremental growth and development costs related to the launch of the WealthFoundations;

Matrix Dealer Group – These reflect the costs related to the Matrix dealer group post the acquisition on 10 October 2014

Direct Life – This relates to the continued investment in the Non-Advice business including the build out of the team and call centre capability to support the growth given the increased volumes between periods. Life sales in the direct business have increased by 185% over the prior comparable period. The build out of the retention team remains a key focus.

Distribution/ Marketing – The distribution/ front end costs in life insurance include the option cost associated with ESP shares issued to advisers and the continued build out of the business development team (BDMs) and national presence. 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 the continued investment in wealth distribution. The incremental distribution related costs following the launch of WealthFoundations have been reflected in the wealth investment above. In 1H FY15 there has also been an increased investment in marketing to further support the growth of the business;

Financial Advice – The Group continues to make further investment in financial advice to support a broader base of advisers across the dealer group partially offset by the employed planner transitions to the self employed model.

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 underwriting costs. These reflect the growth in the underlying volumes. 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 – 1H FY2015

$M, OTHER ADJUSTMENTS	2014		1H FY15	% CHANGE[1]
	1H	2H		
Policy liability effect from change in discount rates	(2.5)	4.7	5.2	NM
Matrix deal and integration costs	0.0	0.0	(1.8)	NM
Income tax effect	0.8	(1.4)	(1.1)	NM
Total Other Adjustments (After Tax)	**(1.7)**	**3.3**	**2.3**	**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.
- Matrix and deal integration costs incurred in 1H FY15 include onerous lease costs, legal fees, debt facility costs and other restructure related costs. The costs associated with the aforementioned are considered unusual to the ordinary activities of the Group and are therefore not reflected as part of UNPAT.
- 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 1H FY14 to 1H FY15.

Life Insurance – 1H FY2015

$M, 6 MONTHS TO DEC 2014	2014 1H	2014 2H	1H 2015	% CHANGE[1]
Gross life insurance premiums	36.2	40.6	49.6	37%
Interest income	1.1	1.2	1.5	36%
Net claims incurred	(6.3)	(8.0)	(8.5)	35%
Reinsurance premium expense	(3.8)	(6.6)	(8.1)	113%
Commission and other variable expenses	(11.6)	(13.9)	(17.6)	52%
Operating expenses	(17.5)	(18.1)	(21.2)	21%
Movement in policy liabilities	8.6	13.4	14.8	73%
Underlying NPBT	**6.7**	**8.7**	**10.5**	**58%**
Income tax (expense) / benefit	(2.0)	(2.6)	(3.2)	60%
Underlying NPAT	**4.7**	**6.1**	**7.3**	**55%**
Amortisation of Intangibles	(0.7)	(0.7)	(1.5)	108%
Tax Effect and Other	0.9	(1.4)	(1.6)	NM
Policy Liability Discount Rate Effect	(2.5)	4.7	5.2	NM
Matrix deal and integration costs	0.0	0.0	0.0	NM
Reported NPAT	**2.3**	**8.7**	**9.4**	**313%**

KEY STATISTICS AND RATIOS	2014 1H	2014 2H	1H 2015	% CHANGE[1]
New Business (Life)	12.9	14.5	17.0	32%
LifeSolutions (Life)	11.5	12.1	13.2	15%
Non Advice (Life)	1.4	2.4	3.8	185%
In-Force (Life)	73.8	87.5	101.4	37%
LifeSolutions (Life)	32.6	45.2	57.5	76%
Non Advice (Life)	41.2	42.3	43.9	7%
Cost to Income Ratio	48.3%	44.6%	42.7%	-

- Growth of LifeSolutions has been strong, with risk premium growing at 37% over the past 12 months. LifeSolutions in-force premium is $57.5m as at 31 December 2014 (+76%), representing 57% of the total life insurance in-force book
- Direct life business has shown continued momentum through the half year with life sales increasing by 185% over the past 12 months. New direct in-force book of $8.1m (+120%); old book in-force premium of $35.8m (-4%)
- Experience analysis in 1H FY15 (refer to next slide)
- Reinsurance expense aligned to the growth in the in-force portfolios given the upfront reinsurance support provided in the first year of a policy
- 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;
  - The new business functional areas to support the growth in the business including system and administration related costs; and
  - Continued investment in direct life given growth in the business.
- 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 1H FY14 to 1H FY15.

Life Insurance – 1H FY2015 Analysis of Profit

$M, 6 MONTHS TO DEC 2014	1H 2015	1H 2014
Planned Underlying NPAT	**9.3**	**6.8**
Claims experience	0.1	0.7
Lapse experience	(0.2)	(0.1)
Expense experience	(2.2)	(2.9)
Other	0.3	0.2
Actual Underlying NPAT	**7.3**	**4.7**

- Actuarial planned profit after tax reflects the expected profit margins based on actuarial assumptions ($9.3m in 1H FY15; +37%). Expense overruns were $2.2m (relative to planned margins) - Refer to commentary below.
- Favourable claims experience profit (after tax) of $0.1m compared to an experience profit in 1H FY14 of $0.7m (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 is expected to reduce from period to period.
- Adverse lapse experience relative to the rates assumed in the life insurance policy liability (determined at 30 June 2014) with an experience loss of $0.2m (after tax) in 1H FY15 (relative to planned margins) ($0.1m loss in 1H FY14). The adverse lapse experience predominantly offset the favourable claims experience.
- The adverse lapse experience in 1H of FY15 was driven by lapse losses incurred on new direct business written via certain channels. In particular, the distribution and product profile of this has been highly geared to the warm lead referral channel resulting in some adverse lapse experience to date. This is in the process of being addressed. The LifeSolutions business continues to display positive lapse experience relative to expected while the business written pre 2011 is now broadly in line with expectation, given the assumption changes made in June 2014.
- 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 on the growing in-force portfolio. Given the investment phase of the business, this resulted in a maintenance expense experience loss of $2.2m for the half year ($2.9m in 1H FY14).

Wealth Management – 1H FY2015

ClearView

$M, 6 MONTHS TO DEC 2014	2014		1H 2015	% CHANGE[1]
	1H	2H		
Fund management fees	15.2	15.2	15.2	0%
Interest income	0.4	0.4	0.3	-28%
Variable expense	(3.5)	(3.6)	(3.5)	0%
Internal advice fee (Master Trust)	(3.2)	(3.2)	(3.0)	-6%
Platform fee (WealthSolutions)	(0.3)	(0.4)	(0.5)	67%
Funds management expenses	(2.8)	(2.9)	(3.3)	18%
Operating expenses	(5.3)	(5.1)	(7.4)	41%
Underlying NPBT	**4.0**	**4.0**	**1.2**	**-71%**
Income tax (expense) / benefit	(1.1)	(1.0)	(0.1)	-91%
Underlying NPAT	**2.9**	**3.0**	**1.1**	**-62%**
Amortisation of Intangibles	(2.6)	(2.6)	(2.6)	-1%
Tax Effect and Other	0.0	0.0	0.0	NM
Policy Liability Discount Rate Effect	0.0	0.0	0.0	NM
Matrix deal and integration costs	0.0	0.0	0.0	NM
Reported NPAT	**0.3**	**0.4**	**(1.5)**	**NM**

KEY STATISTICS AND RATIOS	2014		1H 2015	% CHANGE[1]
	1H	2H		
Wealth (Net Flows)	5.2	(13.6)	25.7	390%
Master Trust (Net Flows)	(79.5)	(81.8)	(99.0)	25%
WealthSolutions (Net Flows)	84.7	68.2	72.8	-14%
WealthFoundations (Net Flows)	0.0	0.0	51.9	NM
Wealth Total (FUM) ($b)	1.6	1.7	1.8	9%
Master Trust (FUM) ($b)	1.3	1.3	1.2	-6%
WealthSolutions (FUM) ($b)	0.3	0.4	0.5	54%
WealthFoundations (FUM) ($b)	0.0	0.0	0.1	NM
Cost to Income Ratio	34.4%	34.5%	48.7%	-

- Net increase in FUM levels (+9%) driven by the positive performance of investment markets and positive net flows;
- New business is written into WealthSolutions and WealthFoundations at lower margins than the in-force Master Trust products; fee income remained flat 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 increased given expanded wealth product range and increased FUM levels between periods;
- Increased cost base (+41%) given the investment in both the build out of a new platform (including the costs associated with commencement of the migration of the Master Trust product) and the incremental development and growth costs associated with WealthFoundations ($2.2m of costs incurred). WealthSolutions continues to build to scale. Wealth non deferred expense overruns have increased to $2.2m ($1.0m in 1H FY14);
- Tax benefit of $0.2m included in the result, overall group is based on a 30% effective tax rate;
- Reduction of investment earnings given shift in capital to support growth of life insurance

Note 1: % change represents the movement from 1H FY14 to 1H FY15.

Financial Advice – 1H FY2015

$M, 6 MONTHS TO DEC 2014	2014 1H	2014 2H	1H 2015	% CHANGE[1]
Financial advice fees	23.1	22.5	34.2	48%
Interest & other income	0.1	0.1	0.2	109%
Financial advice fees and related expense	(16.8)	(16.2)	(27.2)	62%
Operating expenses	(3.9)	(4.0)	(4.6)	17%
Underlying NPBT	**2.6**	**2.4**	**2.6**	**-1%**
Income tax (expense) / benefit	(0.8)	(0.7)	(0.7)	-8%
Underlying NPAT	**1.8**	**1.7**	**1.9**	**8%**
Amortisation of Intangibles	(0.4)	(0.4)	(0.4)	-7%
Tax Effect and Other	0.0	0.0	0.1	122%
Policy Liability Discount Rate Effect	0.0	0.0	0.0	NM
Matrix deal and integration costs	0.0	0.0	(0.5)	NM
Reported NPAT	**1.4**	**1.3**	**1.1**	**-20%**
KEY STATISTICS AND RATIOS	**2014 1H**	**2014 2H**	**1H 2015**	**% CHANGE[1]**
Cost to Income Ratio	49.5%	47.8%	47.9%	-
FUMA ($b)	3.8	7.4	7.4	95%
PUA	79	94	160	102%

- Fee income, excluding the result of Matrix, is up 17% driven by the recruitment of self employed advisers; limited impact on margin due to the adviser split arrangements (number of advisers excluding Matrix is up 20%).
- The financial advice fees expense, excluding the result of Matrix, is up 25% driven by the recruitment of advisers as noted above and the transition of employed planners to the self employed model (this causes a reduction in operating expenses but an increase in the financial advice fees expense given the split arrangements now in place);
- The consolidation of the Matrix dealer group for the first time in the result. This had a positive UNPAT impact of $0.2m but included a one-off tax benefit of $0.1m.
- Financial Advice Fees includes Matrix income of $7.2m with a corresponding amount in financial advice fees expense of $6.3m; net retained margin to the Matrix dealer group of $0.9m for the period (from 10 October); and
- The further investment in financial advice to support a broader base of advisers across the dealer groups partially offset by reduction in operating expenses from the employed planner transitions to the self employed model. The increase in the overall cost base predominantly relates to the consolidation of the Matrix dealer group for the first time in the current period (+$0.8m)

Note 1: % change represents the movement from 1H FY14 to 1H FY15. Note 2: Cost to income ratio is calculated as operating expenses divided by financial advice fees but excluding fee revenue from dealer services and Matrix (self employed advisers) that has a net off on the financial advice fees and related expense line (1H FY15 $25.5m; 1H FY14: $15.2m) but including the Matrix net retained margin of $0.9m in 1H FY15

Listed Entity – 1H FY2015

$M, 6 MONTHS TO DEC 2014	2014		1H 2015	% CHANGE[1]
	1H	2H		
Interest income	0.3	0.7	0.6	91%
Operating expenses	(0.6)	(0.5)	(0.9)	28%
Underlying NPBT	**(0.3)**	**0.1**	**(0.3)**	**NM**
Income tax (expense) / benefit	(0.0)	(0.3)	(0.1)	NM
Underlying NPAT	**(0.3)**	**(0.2)**	**(0.4)**	**-32%**
Amortisation of Intangibles	0.0	0.0	0.0	NM
Tax Effect and Other	0.0	0.0	0.4	NM
Policy Liability Discount Rate Effect	0.0	0.0	0.0	NM
Matrix deal and integration costs	0.0	0.0	(1.3)	NM
Reported NPAT	**(0.3)**	**(0.2)**	**(1.3)**	**LARGE**

- 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
- Increase in investment earnings given the timing of the $45m capital raising in 2H of FY14, partially offset by the purchase consideration paid for the Matrix acquisition ($7.75m) and the reallocation of shareholder cash between segments
- Allocation of a component of shared services overhead to the listed entity in 1H of FY15 (+$0.2m); and
- Tax charge of $0.2m (1H FY14: Nil) related to timing differences, partially offsetting tax benefits in other segments. The Group has an effective tax rate of 30% for the six month period (consistent with the prior comparable period)

Note 1: % change represents the movement from 1H FY14 to 1H FY15.

Embedded Value and Capital Position

APPENDIX

Embedded Value (EV) Movement Analysis @ 4% DM by Segment at 31 December 2014

MOVEMENT ANALYSIS @ 4% dm ($m)	Life	Wealth	Advice	Net Worth	Total
EV - 30 June 2014 (As Published)	**230.4**	**51.6**	**30.7**	**46.3**	**359.0**
Net Capital Applied	20.0	0.0	(0.2)	(27.7)	(7.9)
Maxtrix Merger	0.0	0.0	4.7	0.0	4.7
EV - 30 June 2014 @ 4% dm and post dividends/capital applied	**250.4**	**51.6**	**35.2**	**18.6**	**355.8**
Expected Gain	8.1	1.8	1.1	0.7	11.7
VNB Added	5.6	1.9	(0.7)	0.0	6.8
Impact of Claims	0.1	0.0	0.0	0.0	0.1
Impact of Discontinuances	0.4	(0.3)	(0.2)	0.0	(0.1)
Impact of Maintenance Expenses	(2.2)	(2.5)	0.6	0.0	(4.1)
Listing Expenses	0.0	0.0	0.0	(0.6)	(0.6)
FUMA Mark to Market	0.0	1.2	(0.1)	0.0	1.1
Other	(0.3)	(0.9)	(0.1)	0.0	(1.3)
EV at 31 December 2014 @ 4% dm	**262.1**	**52.8**	**35.8**	**18.7**	**369.4**

Embedded Value (EV) Movement Analysis Commentary

Reference	EV Impact	Reason for Movement
Net Capital Applied	($7.9m)	Net impact of the cash consideration of the Matrix merger and deal and integration costs (net of tax), partially offset by the Dividend Reinvestment Plan (DRP) and related repayment of ESP loans by participants given their ineligibility to participate in the DRP under the Plan Rules
Matrix Merger	$4.7m	This relates to the impact of the Financial Advice Client Book acquired as part of the Matrix merger that partially offsets the cash component paid as noted above
Expected Gain	$11.7m	Expected gain represents the unwind of the discount rate within the value of in-force and investment earnings on net worth
VNB Added	$6.8m	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 $0.7m 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 impact of maintenance expenses reflected below
Claims	$0.1m	The claims experience of LifeSolutions and old book was favourable in 1H FY15. There was some adverse claims experience on the new non advice book however 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 (+$0.4m) was driven by better than expected lapses for the LifeSolutions product partially offset by lapse rates for the new non-advice business being higher than expected. The lapses in the old book were broadly in-line with the updated assumptions. The balance of the impact was due to higher discontinuance rates for the Wealth and Financial Advice business (-$0.5m) – some of this loss is reflected in the value of new business in respect of some business that has been upgraded from the old book to new products
Maintenance Expenses	($4.1m)	This relates to the maintenance expense overruns versus the long term unit costs assumed in the EV. 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 EV initially; these are eliminated as scale is achieved, thereby increasing underlying profit margins on the in-force portfolio and removing the drag on the EV. The Financial Advice business had a positive maintenance expense variance (+$0.6m) that reduced the overruns in Life Insurance (-$2.2m) and Wealth management (-$2.5m). The increase in Wealth management overruns was driven by the investment in a new platform and WealthFoundations
Listing Expenses	($0.6m)	Expenses were impacted by the Group's listed overhead costs which are not allowed for in the EV
FUMA Mark to Market	$1.1m	The net investment performance on the funds under management and advice 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	($1.3m)	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

Group Net Assets & Capital Analysis at 31 December 2014

GROUP CAPITAL POSITION ($M)	Life	Wealth	Other	APRA Regulated Entities	Wealth	Financial Advice	ASIC Regulated Entities	All Regulated Entities	NOHC/ Other	Group
Net Assets	232.5	13.4	3.2	249.1	7.3	17.2	24.5	273.6	58.1	331.8
Goodwill & Intangibles	(5.0)	(3.1)	0.0	(8.2)	(0.0)	(8.0)	(8.0)	(16.2)	(42.6)	(58.7)
Net Tangible Assets	**227.4**	**10.3**	**3.2**	**240.9**	**7.3**	**9.2**	**16.6**	**257.5**	**15.5**	**273.0**
Capital Base Adjustment:										
Deferred Acquisition Costs (DAC)	(170.0)	(0.2)	0.0	(170.2)	0.0	0.0	0.0	(170.2)	0.0	(170.2)
Other Adjustments to Capital Base	(0.6)	(0.1)	(0.0)	(0.8)	(0.1)	(0.1)	(0.2)	(1.0)	(3.2)	(4.2)
Regulatory Capital Base	**56.8**	**9.9**	**3.2**	**70.0**	**7.2**	**9.1**	**16.3**	**86.3**	**12.4**	**98.7**
Prescribed Capital Amount	(4.6)	(3.6)	(1.7)	(10.0)	(5.0)	(0.1)	(5.1)	(15.1)	(1.5)	(16.6)
Available Enterprise Capital	**52.2**	**6.3**	**1.5**	**60.0**	**2.2**	**9.0**	**11.2**	**71.2**	**10.9**	**82.1**
Internal Benchmarks										
Working Capital	(26.5)	(2.5)	(1.0)	(30.0)	0.0	0.0	0.0	(30.0)	(17.5)	(47.5)
Risk Capital	(21.1)	(3.3)	0.0	(24.3)	(1.7)	(4.4)	(6.2)	(30.5)	(4.3)	(34.8)
Excess/ Deficit over Internal Benchmarks	**4.6**	**0.5**	**0.5**	**5.6**	**0.5**	**4.5**	**5.1**	**10.7**	**(10.9)**	**(0.2)**
Debt Funding Facility	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	20.5	20.5
Net Position After Debt Funding Facility	**4.6**	**0.5**	**0.5**	**5.6**	**0.5**	**4.5**	**5.1**	**10.7**	**9.6**	**20.3**

- Net capital position across the Group after amounts drawn down under the Debt Funding Facility is $20.3m at 31 December 2014.
- The regulated entities have $10.7m of net assets in excess of their internal benchmarks as at 31 December 2014. Internal benchmarks exceed regulatory capital requirements and 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 regulated entities' regulatory licences.
- Internal benchmarks in the regulated entities (as at 31 December 2014) include a working capital reserve of $30m to fund anticipated new business growth over the medium term (in accordance with the Internal Capital Adequacy Assessment Process).
- Internal benchmarks in the non regulated entities (as at 31 December 2014) include a further working capital reserve of $17.5m as at 31 December 2014, therefore totalling $47.5m that is set aside across the Group to fund anticipated new business growth over the medium term.
- It is intended that the funding provided under the Debt Funding Facility will be replaced in due course with one or more longer term capital solutions as the need for, and quantum of, longer term capital funding emerges.

Net Worth Reconciliation at 31 December 2014

RECONCILIATION OF NET ASSETS TO GROUP CAPITAL POSITION AFTER DEBT FUNDING FACILITY ($M):	Life	Wealth	Financial Advice	Other	Total
Net Assets	**232.5**	**20.7**	**17.2**	**61.4**	**331.8**
- Less Goodwill and Intangible Assets (excl Capitalised Software)	-	-	(8.0)	(42.6)	(50.6)
- Capital included in VIF	(188.3)	(9.6)	(2.2)	-	(200.1)
Net Worth	**44.1**	**11.2**	**7.0**	**18.8**	**81.1**
- Overhead & New Business Capital	(39.5)	(10.1)	(2.5)	(29.2)	(81.3)
Excess Assets over Internal Benchmarks	**4.6**	**1.1**	**4.5**	**(10.4)**	**(0.2)**
- Debt Funding Facility	-	-	-	20.5	20.5
Net Position After Debt Funding Facility	**4.6**	**1.1**	**4.5**	**10.1**	**20.3**

- 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.

Impact of ESP Shares

APPENDIX

Impact of ESP shares

PER SHARE CALCULATIONS

HALF YEAR END DECEMBER 2014 $M, (UNLESS STATED OTHERWISE)	1H FY15
Number of shares on issue	524.6m
ESP shares on issue	56.5m
Shares on issue to calculate NAV per share (A)	581.1m
Net assets	331.8
ESP loans	34.6
Proforma net assets (B)	366.4
Fully diluted NAV per share = (B)/(A)	63.0 cents
Underlying NPAT	9.9
Fully diluted underlying NPAT per share[1]	1.89 cents
Adjusted Underlying NPAT	11.3
Fully diluted adjusted underlying NPAT per share[1]	2.15 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"
- 56.5 million Employee Share Plan (ESP) shares on issue and $34.6 million loans receivable at 31 December 2014
- Underlying NPAT is the Boards key measure of profitability and the basis on which dividends are determined
- Adjusted Underlying NPAT of $11.3m, removes the impacts of investment in Wealth and Matrix

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 period.

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, WealthFoundations 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.
Term Life	Provides a lump sum benefit in the event of the death or terminal illness of the person insured.
PUA	Premiums Under Advice that are externally managed and administered (Third Party Products)
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.
WealthFoundations	Menu of approximately 16 investment options and a number of model portfolios managed by ClearView for superannuation investors. Products include superannuation and allocated pension products.
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