Macquarie Connections Australia Conference

7 May 2015

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Overview

- CVW is an integrated life and wealth provider;
- Highly focussed challenger brand operating in specific profitable segments;
- Well positioned for structural growth with the convergence of superannuation and life insurance;
- Competitive strengths: Experienced board and management team, no material legacy and one pricing series;
- Implementing high growth strategy with “three J Curves”: Goals: 3%-5% of the long term life insurance profit pool, building a material wealth management business and a high quality financial advice business.

Strategic market positioning of ClearView

ClearView

	Bank Aligned	International	Australian Non-Bank	
Current	CommInsure, 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 + **2 Direct Life** + **3 Wealth Management**

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 growth strategy
- LifeSolutions new business continues to grow (+15% in 1H FY15); LifeSolutions in-force premium is $57.5m[1] (+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[1] (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[1] (+9% growth on 1H FY14). $0.56bn[1] on new products since Dec 2011
- Matrix merger to strengthen distribution support in line with growth strategy

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- 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.

1 Numbers as at 31 December 2014

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**

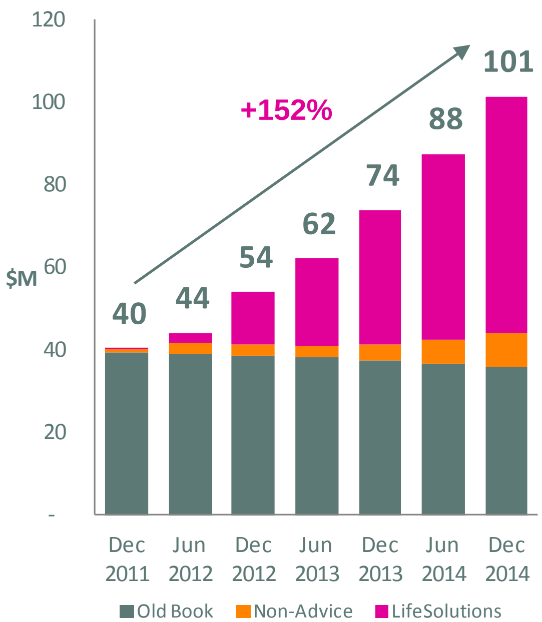
	Main Features of WealthFoundations
Positioning	• Competitive mid-market product targeted at the pre-retirement market
Integrated with LifeSolutions	• LifeSolutions premium payment • Life insurance cross sell potential
Innovations, add-ons	• Account guarantee (on death) • Implemented model portfolios 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

Key Performance Metrics: Highlights

Life Insurance

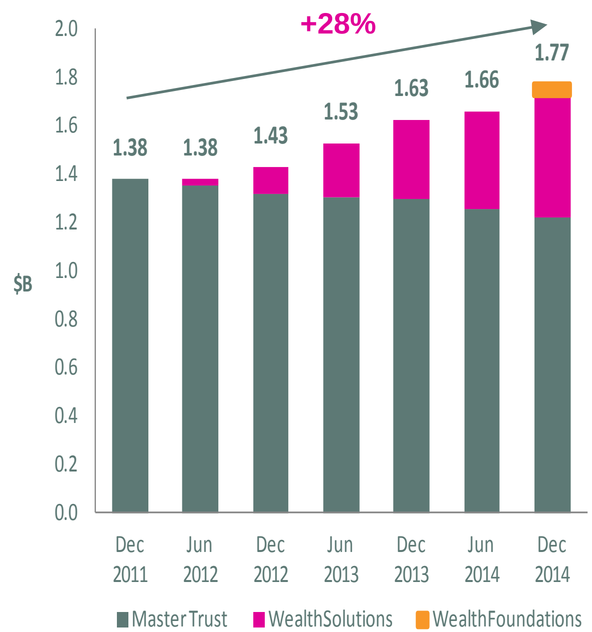
In-force Premium



- 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

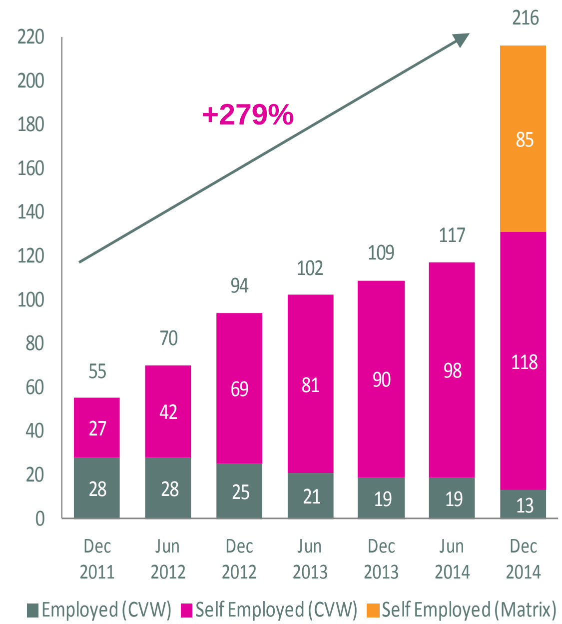
Funds Under Management



- 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

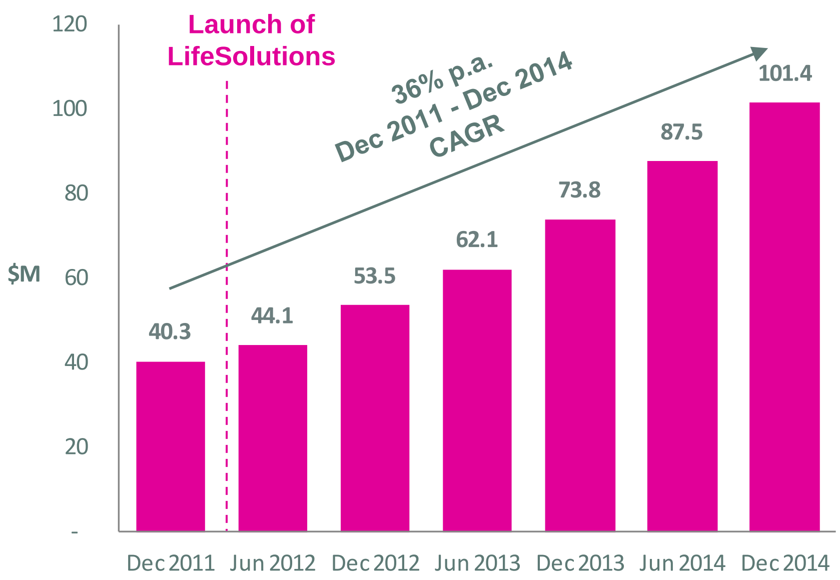


- Number of financial advisers increased to 216 (+98%) following merger with Matrix
- Reflects significant change in advice business profile
- Focus on further recruitment of self employed advisers; ClearView advisers +20% excluding Matrix merger

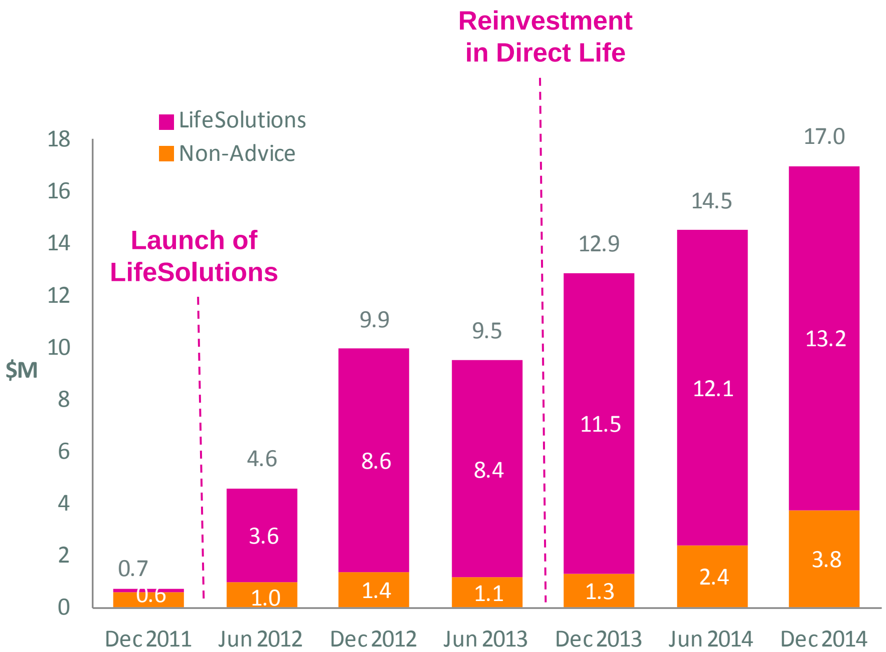
Note 1: Numbers stated as at 31 December 2014; yoy growth rates relative to 31 December 2013.

Life Insurance: Significant Growth

IN-FORCE PREMIUM[1]



NEW BUSINESS[2]



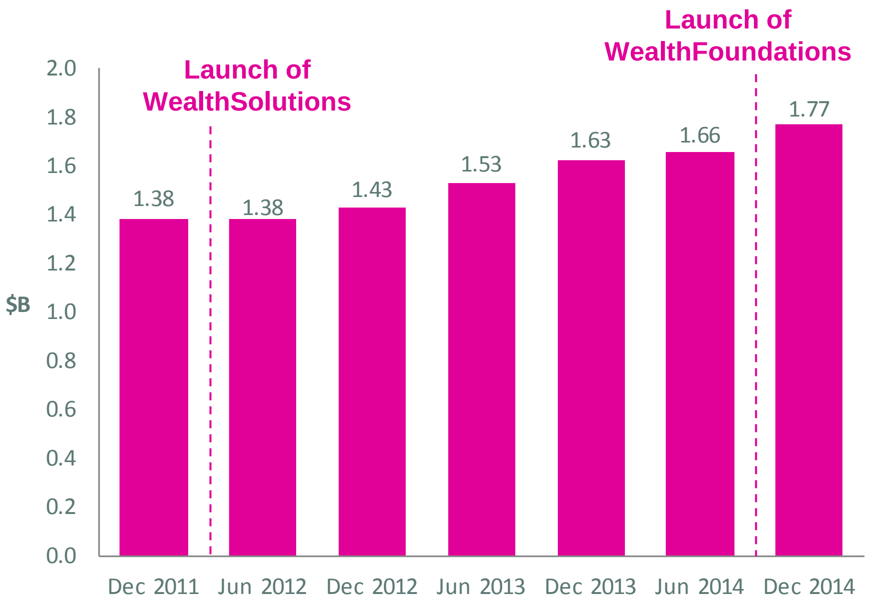
- In-force growth driven by launch of LifeSolutions suite of products which reflects the continued growth in the retail life advice market
- The investment in the direct life business has shown strong momentum through the first half of the year with sales increasing by 185% compared to1H FY14, albeit 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.

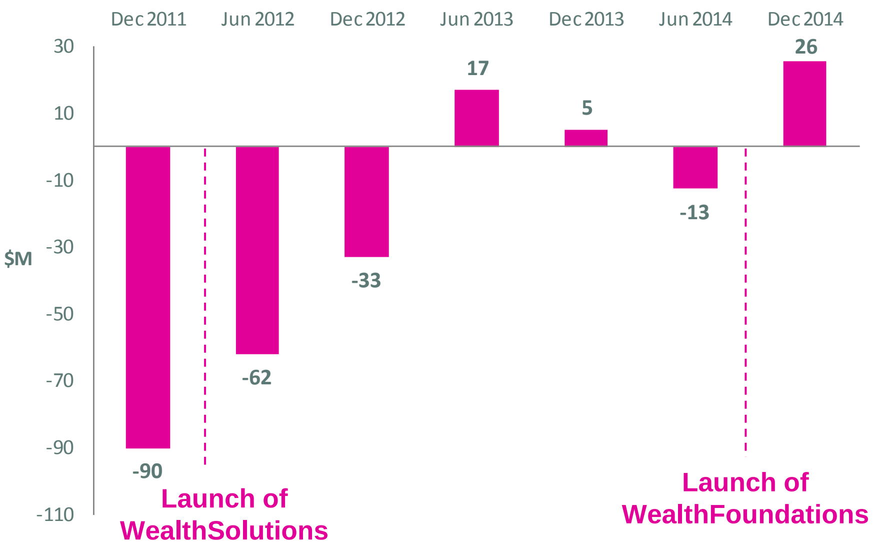
Note 2: New business represents the amount of new annual written premium sold during the period, net of policies cancelled from inception. 1H FY14 numbers restated.

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

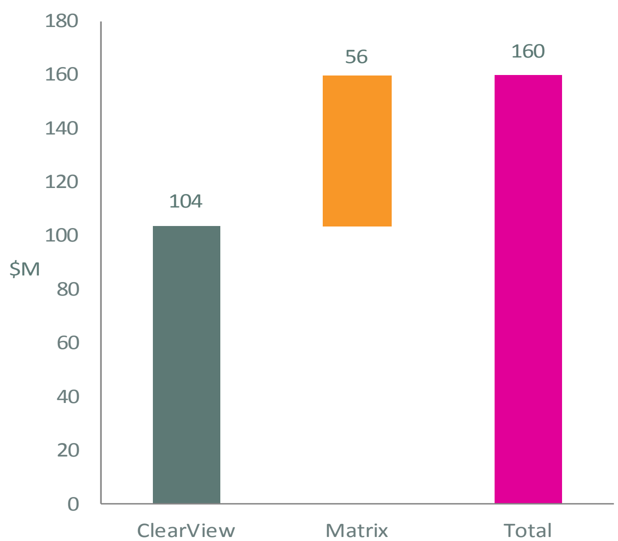
Note 1: FUM includes Funds Under Management (ClearView Master Trust, WealthFoundations and Managed Investment Schemes) and Funds Under Administration on WealthSolutions. It does not include funds under advice that are externally managed and administered.

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

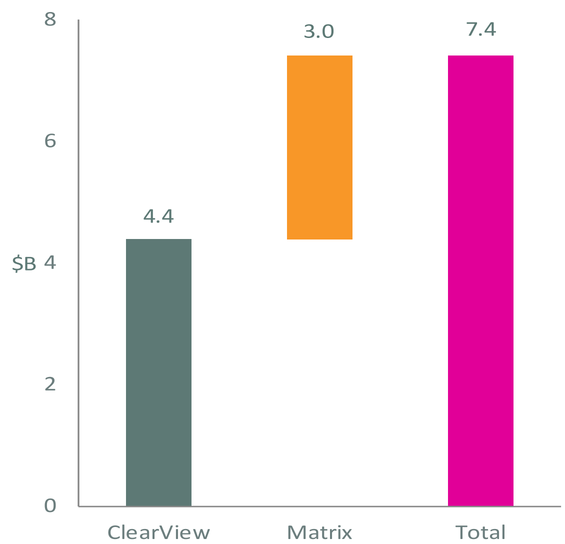
Life Insurance

Premium's Under Advice ($m) (PUA)



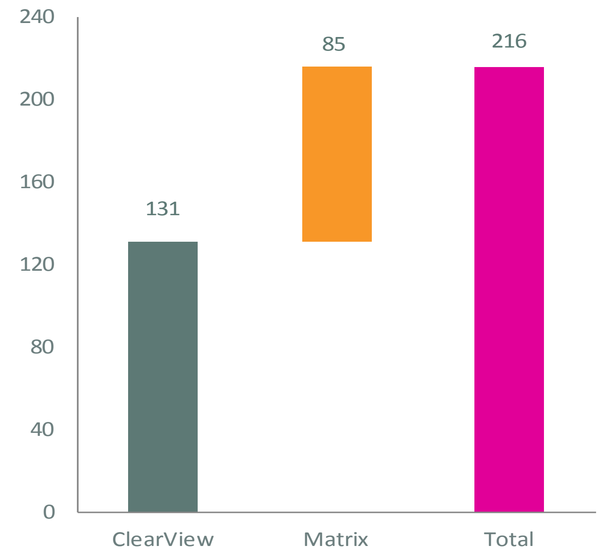
Wealth Management

Funds Under Management and Advice ($b) (FUMA)



Financial Advice

Financial Advisers



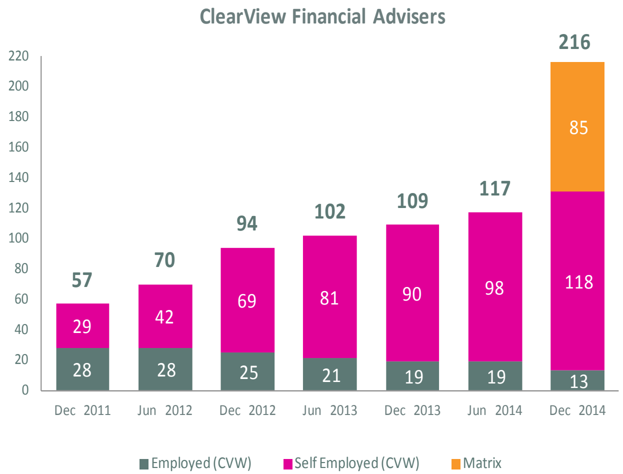
- Merger with Matrix increases the number of Authorised Representatives to 216, FUMA to $7.4b (of which $1.8b is in ClearView wealth products) and PUA to $160m (of which $36m is in LifeSolutions);
- ClearView operates predominantly a self employed adviser model with the number of advisers increasing 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

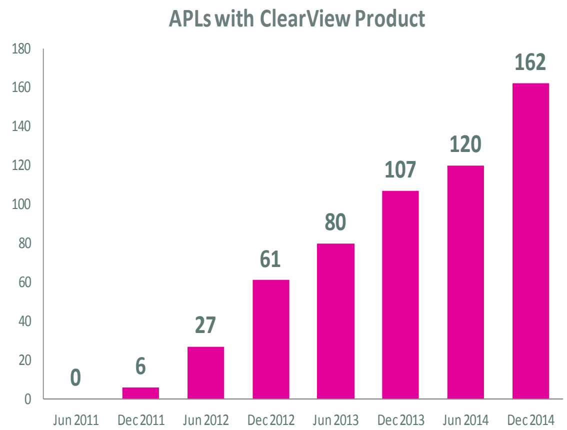
Successfully growing the network of financial advisers by leveraging off non bank aligned model; merger with Matrix



- 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.

Regulatory overview and likely impacts

FSI, PJC (Fawcett), ASIC/Trowbridge/FSC	Likelihood	Industry Impact	ClearView Impact
Professional standards, education and ethics • New approach; use of term "financial adviser" (or similar) and elimination of term "general advice"; **ClearView supports approach**	High	✓	✓
'Open architecture' approach to APLs • Dealer group APLs can be limited to one or only a small number of the products that currently inherently limits customer choice • Opening of APLs maximises the choice available to clients; best interest duty and providing best quality advice to clients; **ClearView supports approach**	High	+/–	✓
Conflicted insurer payments to AFSLs • Volume payments/ rebates, shelf space payments and lapse or persistency bonuses • The conflicted payments should be prohibited; **ClearView supports approach**	High	+/–	✓
Adviser remuneration • Trowbridge recommended transition to a system based on 20% 'level commission' plus 'Initial Advice Fee' • FSI recommended level commission only model, with the level set by market • **ClearView does NOT support either approach.** • Any remuneration structures need to work for full advice, scaled advice and no-advice placement and distribution • Has to be realistic • Market set level commission + realistic upfront payment	Uncertain	?	?

Regulatory uncertainty creating short term challenges; ClearView, with its unique positioning, is well placed to benefit longer term

Priorities and Outlook

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
- Regulatory uncertainty creating short term challenges; ClearView, with its unique positioning, is well placed to benefit longer term.

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

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APPENDIX

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%)

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