

MARKET RELEASE

SYDNEY, 26 August 2015

ClearView continues to deliver strong profit growth and increased dividend

- ClearView achieved a strong FY15 financial result:
 - Underlying NPAT¹ of \$20.5 million, up 4% on FY14
 - Underlying NPAT of \$22.9 million⁵, up 17% on FY14 on a like for like basis
- ClearView is a growing and profitable integrated life insurance and wealth challenger business that is well placed to benefit from structural growth trends
- Key profit drivers and performance metrics of the FY15 result:
 - Life Insurance Operating UNPAT of \$15.3 million, up 41%
 - 26% increase in life new business, 32% increase in life in-force premium
 - Results consistent with strategy with profits emerging from the growth in the underlying in-force portfolios following the investments in life insurance over the last 3 years
 - Investment for growth in new functional wealth platform and WealthFoundations product (\$3.2 million drag on earnings as highlighted to the market 12 months ago)
 - Wealth Management Operating UNPAT of \$1.8 million, down 70% reflecting adverse impact of this investment in the wealth platform and related drag on earnings
 - \$112 million net flow positive, 15% increase in wealth in-force FUM³
 - 89% increase in number of advisers, up 19% excluding Matrix merger, continuing focus on quality, culture and compliance
 - 92% increase in FUMA⁴ to \$7.9 billion; 99% increase in Premiums Under Advice to \$187 million
- NPATA⁶ of \$21.5 million, up 1% on FY14. Reported NPAT of \$12.5 million representing a reduction of 10% on the prior year driven by amortisation of intangibles and the deal and integration costs associated with the Matrix merger
- Fully franked FY15 dividend of 2.1 cents per share, up 5%; Dividend Reinvestment Plan in place

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

² Total Operating Earnings NPAT represents the Underlying NPAT¹ of each of the operating business units before taking into account the interest costs associated with corporate debt.

³ FUM includes Funds Under Management (ClearView Master Trust, WealthFoundations and ClearView Managed Investment Schemes) and Funds Under Administration on WealthSolutions.

⁴ FUMA includes FUM and funds under advice that are externally managed and administered.

⁵ Underlying net profit after tax adjusted for the investment in wealth management in FY15 (\$3.2m) and removing the benefits of the consolidation of Matrix for the first time (\$0.8m).

⁶ NPATA is reported net profit after tax adjusted to exclude the non-cash amortisation of acquired intangibles (not including capitalised software).

Numbers as at 30 June 2015, unless otherwise stated

ClearView Wealth Limited (“ClearView” or “the Company”, ASX: CVW) today announced its results for the year ended 30 June 2015.

FY15 concludes a successful three year strategy focused on building ClearView’s market position in the life insurance, wealth management and financial advice markets. ClearView now has:

- a growing life insurance business that is focused on the profitable segments of the market;
- a positive net flow wealth management business that is well positioned for growth with the convergence of superannuation and life insurance; and
- continued to build a preferred home for leading financial advisers with the objective of operating strong advice brands with a focus on quality advice.

ClearView has established a strong platform to drive momentum and convert its strategic positioning into material earnings growth. The initial phases of the “J Curve” investment are now complete; material earnings growth is expected to emerge in FY16 given the growth profile of the underlying businesses.

Commenting on the full year result, Managing Director, Simon Swanson, said, “It is exciting to be part of a growing organisation such as ClearView as reflected by the performance of our business. FY15 included the successful merger and integration of Matrix, the upgrade to our LifeSolutions product range and the successful launch of WealthFoundations. The initial phases of our investment are now complete with material earnings growth expected to emerge in FY16.”

For the year ended 30 June 2015, ClearView produced Total Operating Earnings NPAT² of \$20.9 million and an Underlying NPAT of \$20.5 million. Total Operating NPAT has increased by \$1.2 million (+6%) and Underlying NPAT has increased by \$0.8 million (+4%) compared with the prior year. Underlying NPAT adjusting for the investment in Wealth Management in FY15 and removing the benefits that the Matrix acquisition generated, increases to \$22.9 million, up 17% on FY14.

This result reflects:

- Life Insurance Operating NPAT of \$15.3 million, up 41% on the prior year; this is reflective of the emergence of profit from the growth in the underlying in-force portfolios given the initial investment in the business in the FY12-FY14 financial years;
- Wealth Management Operating NPAT of \$1.8 million, down 70% on the prior year; this is reflective of the third phase of the “J Curve” investment in FY15 with the build out of a new wealth platform and the development of the WealthFoundations product that had an adverse \$3.2 million Operating NPAT impact; and
- Financial Advice Operating NPAT of \$4.4 million, up 27% on the prior year; this is reflective of the consolidation of the Matrix dealer group for the first time that had a positive impact of \$0.8 million in FY15.

The reported NPAT of \$12.5 million was impacted by amortisation of acquisition intangibles of \$9.0 million (NPATA of \$21.5 million in FY15) and the (net of tax) deal and integration costs associated with the Matrix merger of \$1.9 million, partially offset by the (net of tax) positive effect of reduced long term discount rates on the policy liabilities of \$2.9 million for FY15.

ClearView has achieved strong momentum in key operating metrics across the business in FY15 as follows:

- Life Insurance: in-force premium is up 32% to \$115.7 million with new business written up 26% to \$34.5 million;
- Wealth Management: FUM is up 15% to \$1.9 billion; positive net inflows were achieved in FY15 of \$112 million which is reflective of the launch of the new WealthFoundations product; net flows were broadly neutral in FY14; and
- Financial Advice: The Matrix merger represents a stepped change in the profile of the merged businesses with adviser numbers up 89% to 221; premium advised up 99% to \$187 million and FUMA up 92% to \$7.9 billion.

FY15 Final Dividend

The Board declared a fully franked dividend in 2015 of 2.1 cents per share (FY14: 2.0 cents per share) which represents approximately 60% of the 2015 UNPAT and is in line with the Company's dividend policy (+5% increase in the dividend per share on the prior year). For full details refer to the ASX Appendix 3A.1, Notification of Dividend Form. Key details related to the FY15 dividend are as follows:

Amount of Dividend:	2.1 cents per share
Ex-dividend Date:	1 September 2015
Record Date:	3 September 2015
Payment Date:	17 September 2015

ClearView's Dividend Reinvestment Plan (DRP) will continue to operate for the FY15 dividend payment. Shares under the DRP will be issued at a fixed price of \$0.95 per share, consistent with ClearView's Dividend Reinvestment Plan Rules, and represent a 2.06% discount of the 90 day volume weighted average price of \$0.97.

The major shareholders, Crescent Capital and its associates, have committed to participate in the DRP at the fixed price of \$0.95 per share.

New shareholders, or shareholders who did not elect to participate in the DRP for the FY14 final dividend, can elect to participate in the DRP for the FY15 final dividend by updating their shareholding details online from the Computershare website www.computershare.com.au/easyupdate/cvw. For shareholders who have existing nominations, these nominations will be automatically applied for the FY15 final dividend, unless otherwise instructed. Change requests for existing nominations can be made by completing a change in participation form online at the Computershare website www.computershare.com.au/easyupdate/cvw.

Elections to participate in the DRP or changes to existing DRP elections must be made with Computershare by 5pm Friday 4 September 2015, which is the first business day after the record date for the FY15 final dividend.

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

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

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About ClearView Wealth Limited

ClearView Wealth Limited is a diversified Australian financial services company with businesses that provide integrated life insurance, wealth management and financial advice solutions. Additional information is available at www.clearview.com.au

Appendix 1 – FY15 Financial Highlights

\$m (unless stated otherwise)	FY15	FY14	% Change
Total Operating Earnings NPAT ¹ (\$m)	20.9	19.7	↑ 6%
Underlying NPAT ² (\$m)	20.5	19.7	↑ 4%
Underlying ² EPS (Fully Diluted) (cents)	3.85	4.41	↓ 13%
NPATA ³ (\$m)	21.5	21.3	↑ 1%
Reported NPAT (\$m)	12.5	13.9	↓ 10%
Reported EPS (Fully Diluted) (cents per share)	2.36	3.10	↓ 24%
Life Insurance New Business (\$m)	34.5	27.4	↑ 26%
In-force Premium (\$m)	115.7	87.5	↑ 32%
Funds Under Management (FUM) (\$bn)	1.90	1.66	↑ 15%
FUM Net Flows (\$m)	112	(8)	↑ Large
ClearView Financial Advisers (#)	221	117	↑ 89%
Embedded Value ⁴ (\$m)	389	359	↑ 9%
Value of New Business ⁵	15.8	9.5	↑ 66%

¹ Total Operating Earnings NPAT represents the Underlying NPAT² of each of the operating business units before taking into account the interest costs associated with corporate debt.

² Underlying net profit after tax is the Board's key measure of group profitability and the basis on which dividend payments are determined. It consists of consolidated profit after tax adjusted for amortisation (not including capitalised software), the effect of changing discount rates on insurance policy liabilities and costs considered unusual to the Group's ordinary activities. Underlying EPS calculations impacted by the issue of 70 million shares due to capital raising in 2H FY14 and issue of 15.4 million performance shares to Matrix shareholders in 1H FY15.

³ NPATA is reported net profit after tax adjusted to exclude the non-cash amortisation of acquired intangibles (not including capitalised software).

⁴ EV at 4% discount rate risk margin, excluding a value for future franking credits and ESP loans. EV for prior period is as at 30 June 2014. The % movement is relative to the 30 June 2014 EV adjusted for net capital applied (-\$8.3m) during the period and the impact on EV of the Matrix merger (+\$4.7m).

⁵ VNB at 4% discount rate margin.