ClearView Wealth Limited

ClearView Results - Year Ended 30 June 2015

26 August 2015

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ClearView

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Agenda

A	**Executive Summary and Strategy Update**
B	FY2015 Results
C	FY2015 Execution Scorecard
D	Summary & Outlook

Executive Summary – FY15 Result

ClearView achieved a strong FY15 financial result

- ✓ UNPAT of $20.5m, up 4% on FY14
- ✓ UNPAT of $22.9m*, 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 $15.3m, up 41% (+$4.4m)
- ✓ 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 ($3.2m drag on earnings as previously outlined to the market)
- ✓ Wealth Management Operating UNPAT of $1.8m, down 70% (-$4.1m) reflecting adverse impact of the investment in the wealth platform as per above
- ✓ $112m net flow positive, 15% increase in wealth in-force FUM
- ✓ 89% increase in number of advisers, +19% excl. Matrix merger, continuing focus on quality, culture and compliance
- ✓ 92% increase in FUMA to $7.9b
- ✓ 99% increase in Premiums Under Advice to $187m

The initial phases of the “J Curve” investment strategy are now complete. Material earnings growth is expected to emerge in FY16 given the growth profile of the underlying businesses and the compound nature of life insurance and wealth management businesses

* Adjusted for the investment in wealth management and Matrix contribution

FY15 KPI Highlights

Business Line	Metric	FY15	FY14	% Change[3]	Comments
Life Insurance	In-force Premium ($m)	115.7	87.5	32%	• In-force premium: LifeSolutions $71.0m (+57%), Direct $9.6m (+73%), Old Book $35.1m (-4%) • New business growth: LifeSolutions new business of $27.5m (+16%); Direct new business of $7.0m (+84%)
	New Business ($m)	34.5	27.4	26%	
Wealth Management	Closing FUM[4] ($b)	1.90	1.66	15%	• In-force FUM: WealthSolutions $0.6bn (+50%), WealthFoundations $0.11bn (new), Master Trust $1.18bn (-6%) • $112m net flow positive in FY15, driven by the launch of WealthFoundations; positive impact from investment markets
	FUM Net Flows ($m)	112	(8)	Large	
Financial Advice	Number of Advisers	221	117	89%	• Recruitment of quality advisers continues, +19% excluding Matrix merger • FUMA and Premium Advised growth includes Matrix merger and recruitment of new advisers • $7.86bn FUMA in-force of which $1.90bn is in WealthSolutions, WealthFoundations and Master Trust products; $187m Premium Advised in-force of which $44m is in LifeSolutions
	FUMA[5] ($b)	7.9	4.1	92%	
	Premium Advised ($m)	187	94	99%	
ClearView	Embedded Value ($m)[1]	389	359	9%[2]	• Benefited from in-force life and FUM growth • Reflects negative experience from the maintenance expense overruns until they are eliminated
	Value of New Business ($m)[1]	15.8	9.5	66%	• Now positive and growing; will remain suppressed by acquisition expense overruns until they are eliminated
	Final Dividend (cps)	2.1	2.0	5%	• Represents 60% of 2015 UNPAT in line with dividend policy; DRP in place.
	Net Assets ($m)	337	310	9%	• 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 (-$8.3m) and the impacts on EV of the Matrix merger (+$4.7m). Note 3: YoY % move, June 2014 to June 2015 unless otherwise stated. Note 4: FUM includes Funds Under Management (ClearView Master Trust, WealthFoundations and ClearView Managed Investment Schemes) and Funds Under Administration on WealthSolutions. Note 5: FUMA includes FUM and funds under advice that are externally managed and administered.

Strategy Update

- FY15 concludes a successful 3 year strategy focused on building ClearView's market position in the life insurance, wealth management and financial advice markets. Since July 2012 ClearView has:

  - **Increased its market share of new retail life insurance premiums** from circa 0.5% to 3.1%[1] through an investment in new systems, market leading products and distribution networks. ClearView now has a growing life insurance business that is focused on the profitable segments of the market;

  - **Increased FUMA from $2.9b to $7.9b** and launched new modern, customer focused and market leading products into the advised wealth management market. ClearView now has a positive net flow wealth management business that is well positioned for growth with the convergence of superannuation and life insurance;

  - **Increased the number of high quality financial advisers** in its dealer groups from 70 to 221. ClearView is building a preferred home for leading financial advisers with the objective of operating strong advice brands with a focus on quality advice; and

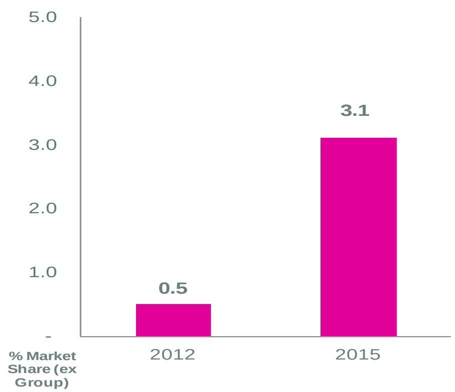
  - **Built a strong base business** (systems, people) and challenger brand with the initial phases of the "J Curve" investment now complete that positions ClearView for material earnings growth in FY16.

Note 1: Source Plan for Life (March 2015); ClearView Management Information.

Strategy Execution

Life Insurance

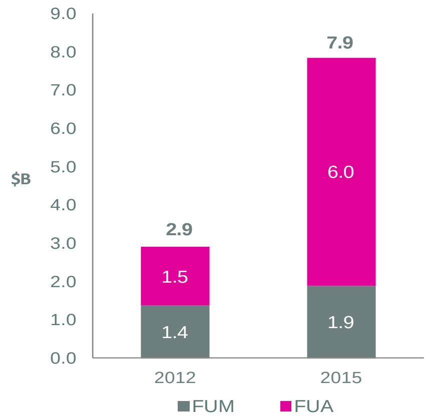
- Launched new products- LifeSolutions and direct products;
- Established infrastructure and distribution networks



- Selective approach to products and markets; continued growth in profitable segments;
- Focused on achieving 3%-5% of the long term life insurance profit pool

Wealth Management

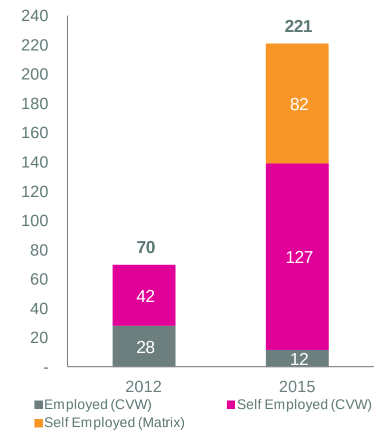
- Launched new products- WealthSolutions and WealthFoundations;
- Build out of a new functional wealth platform, scalable for growth



- Scalable platform positioned for innovation given the convergence of life insurance and superannuation products and advice and non advice markets;
- Focused on building a material wealth management business

Financial Advice

- Focus on quality over quantity;
- Preferred home for leading financial advisers;
- Non institutionally owned and leading advocate for financial advisers



- Work with ClearView product issuers to develop innovative and leading products to align with clients best interests that can be supported by the advisers;
- Focused on building a high quality financial advice business providing strategic advice for clients

FY15 concludes the first stage of building ClearView; in the last 3 financial years ClearView has focused on building out distribution networks, products and systems with ClearView now established as a growing challenger brand

Strategic Growth

- ClearView remains in a strong position to continue growth through structural market trends, continuing to aim to provide best of breed advice and customer service, and innovation in the medium term
  - ✓ Focus on gaining from market disruption around life insurance reforms with a potential stepped change in distribution profile, especially if certain of the proposed reforms are implemented;
  - ✓ Benefit from the increasing convergence of the advice and non-advice markets and the convergence of life insurance and wealth management products by providing differentiation given its ability to use the market positioning, challenger brand and regulatory licences of ClearView; and
  - ✓ Increase scale over time and thereby progressively decrease the expense overruns. In FY15, ClearView incurred $8.1m in non deferred expense overruns (post tax) that will be absorbed as the business grows to scale over the medium term.

Strategic Focus

Refine and Develop

- Not rest on current position – continue to produce flexible products that meet consumer and adviser needs;
- Maintain an engaged and proactive culture with continuous improvement as a priority;
- Continue to invest in systems to upgrade adviser interaction, direct distribution and improve back office efficiency;
- Improve the efficiency and reach of the operations (intense focus on key service elements) to expand margins over time.

Increase scale/ growth

- Expand the distribution presence across the independent financial adviser and direct channels;
- Increase market share and challenge the incumbents with a focus on the profitable segments;
- Eliminate expense overruns over the medium term as the business progressively builds to scale;
- Align contemporary, modern products with clients best interests that can be supported by financial advisers

Market disruption

- Dual convergence – consumer forces are re-shaping the industry, for example digitisation and the rise of self-directed consumers;
- Underpinned by the philosophy 'right advice from the right person at the right price within the right regulatory framework';
- Innovation and differentiation: ClearView has the ability to use its market positioning, challenger brand and regulatory licences to drive innovation
- Target profitable markets with new innovative product offerings; gain from market disruption around life insurance reforms

ClearView has now established a strong platform to drive momentum and convert its strategic positioning into material earnings growth

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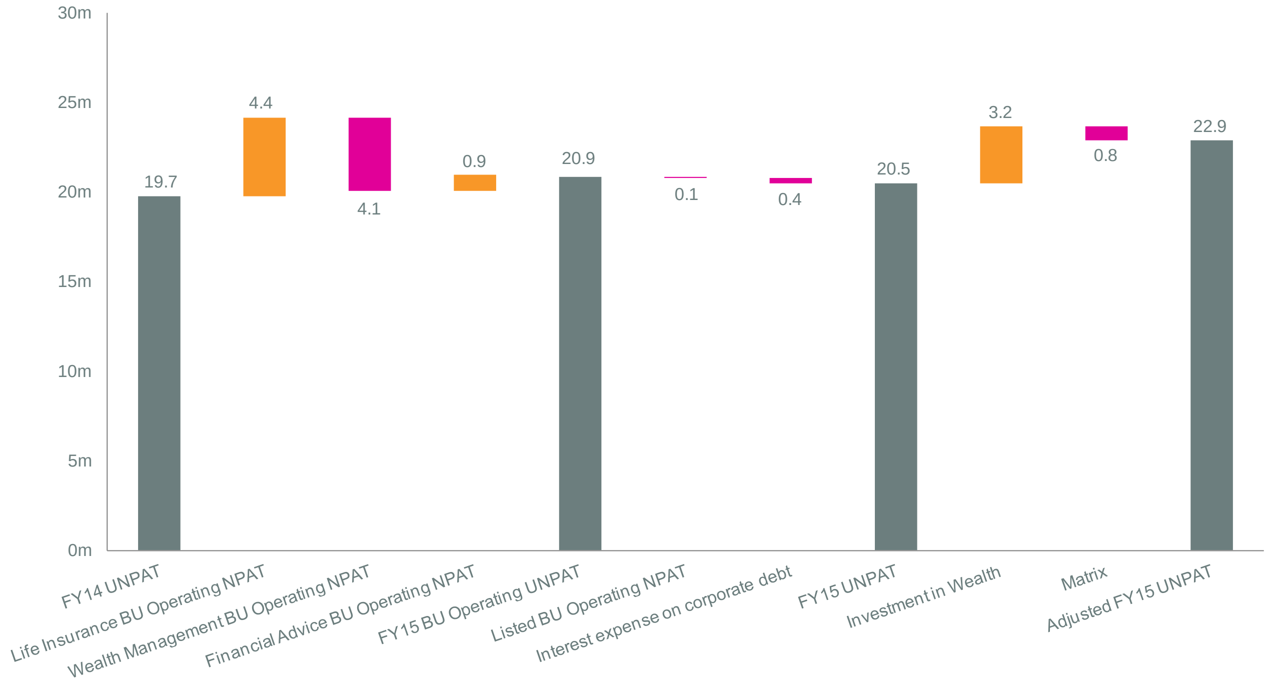
FY15 Summary Financials

After Tax Profit by Segment, $m	FY15	FY14	% Change[1]	Commentary
Life Insurance	15.3	10.8	↑ 41%	• Emergence of profit from the growth in the underlying in-force portfolios given initial investment in the business in FY12-FY14 financial years
Wealth Management	1.8	5.9	↓ (70%)	• Material investment in Wealth Management in FY15 that had an adverse $3.2m UNPAT impact, adjusted UNPAT of $5.0m when excluded (third phase of J Curve investment)
Financial Advice	4.4	3.5	↑ 27%	• Consolidation of the Matrix dealer group for the first time that had a positive impact of $0.8m in FY15
BU Operating Earnings (after tax)	**21.5**	**20.2**	↑ **6%**	• **Investment ahead of earnings ($8.1m impact in FY15) are currently depressing profits; includes material investment in Wealth Management in FY15. As the business gets to scale, these costs are progressively supported by business volumes that creates operating leverage**
Listed Entity and Other	(0.6)	(0.5)	↓ (34%)	• Reflects 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
Total Operating Earnings (after tax)	**20.9**	**19.7**	↑ **6%**	• **Reflects the growth in the Life Insurance predominantly offset by the material investment of $3.2m in Wealth Management in FY15**
Interest expense on corporate debt (after tax)	(0.4)	0.0	Large	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
Underlying NPAT	**20.5**	**19.7**	↑ **4%**	• **UNPAT of $20.5m, up 4% on FY14; adjusting for the investment in Wealth Management in FY15 and the Matrix acquisition results in an UNPAT of $22.9m, up 17% on FY14**
Other Adjustments	1.0	1.6	(35%)	• 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 FY15 relate to Matrix deal and integration costs
NPATA	**21.5**	**21.3**	↑ **1%**	**NPATA excludes the non-cash amortisation of acquired intangibles**
Amortisation	(9.0)	(7.4)	21%	• Non cash item relating to acquired intangibles (predominantly from acquisition of business from Bupa); commencement of Matrix client book write off in FY15
Reported NPAT	**12.5**	**13.9**	↓ **(10%)**	**As per commentary above**
Underlying diluted EPS (cps)	3.85	4.41	↓ (13%)	• Underlying EPS impacted by 70m shares issued in the $45m capital raising in 2H FY14; capital set aside for growth in future periods. Also impacted by 15.4m shares issued for Matrix acquisition; vesting of shares subject to performance conditions
Reported diluted EPS (cps)	2.36	3.10	↓ (24%)	• As per commentary above

Strong Result: UNPAT of $20.5m, up 4% on FY14; adjusting for the investment in Wealth Management in FY15 and the Matrix acquisition results in an UNPAT of $22.9m, up 17% on FY14.

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

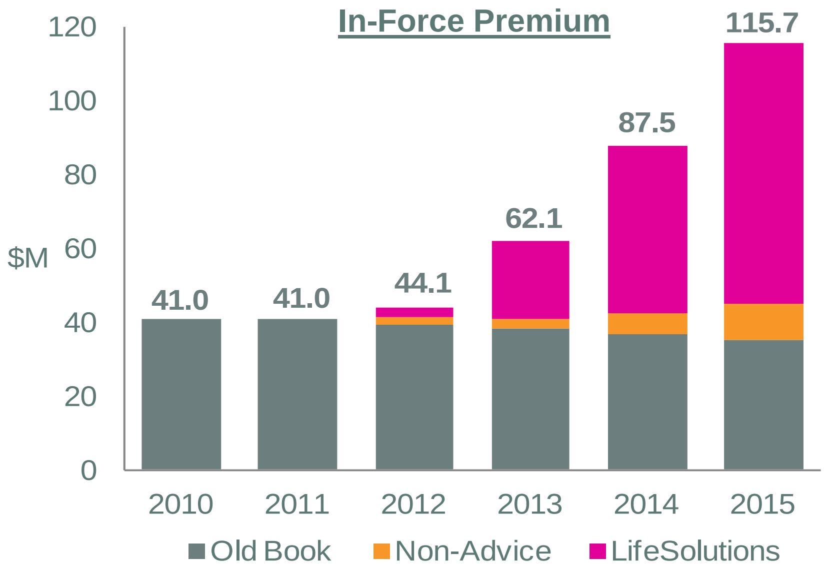
FY15 Summary Financials: UNPAT waterfall

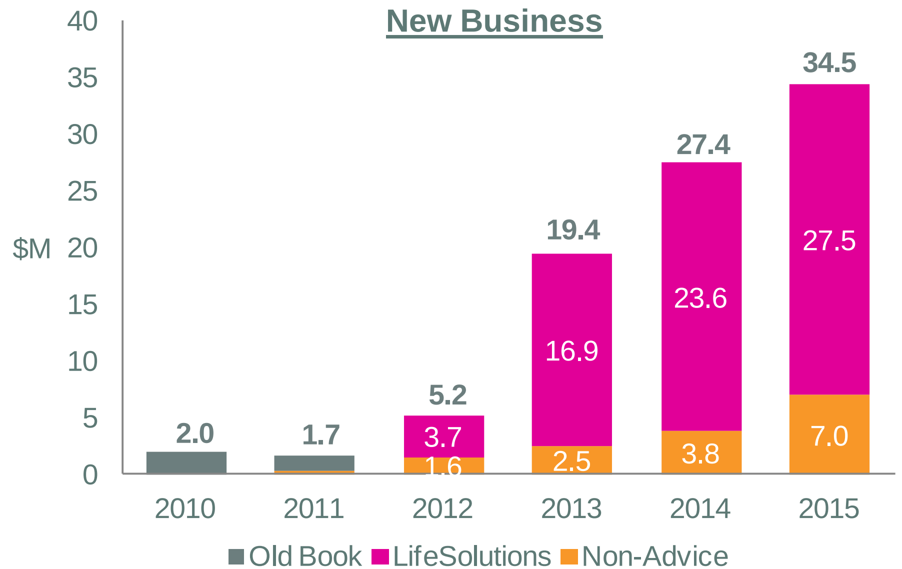


- Life Insurance BU Operating NPAT of $15.3m, up 41% (+$4.4m); reflective of the emergence of profit from the growth in the underlying in-force portfolios given initial investment in the business in FY12-FY14 financial years;
- Wealth Management BU Operating NPAT of $1.8m, down 70% (-$4.1m); reflective of the third phase of the J Curve investment; this includes the build out of a new functional wealth platform, the costs incurred/provisioned for the subsequent migration of the Master Trust product onto the new platform over time (including a provision of $0.9m post tax) and the incremental development and growth costs for the new WealthFoundations product that had a total overall adverse $3.2m UNPAT impact in FY15;
- Financial Advice BU Operating NPAT of $4.4m, up 27% (+$0.9m); reflective of the consolidation of the Matrix dealer group for the first time that had a positive impact of $0.8m in FY15;
- UNPAT of $20.5m, up 4% on FY14; adjusting for the investment in Wealth Management in FY15 and the Matrix acquisition results in an UNPAT of $22.9m, up 17% on FY14;
- UNPAT in FY15 includes interest expense on 3 year, $50m facility put in place in December 2014 ($0.4m post tax impact). 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.

FY15 Summary Financials: Life Insurance

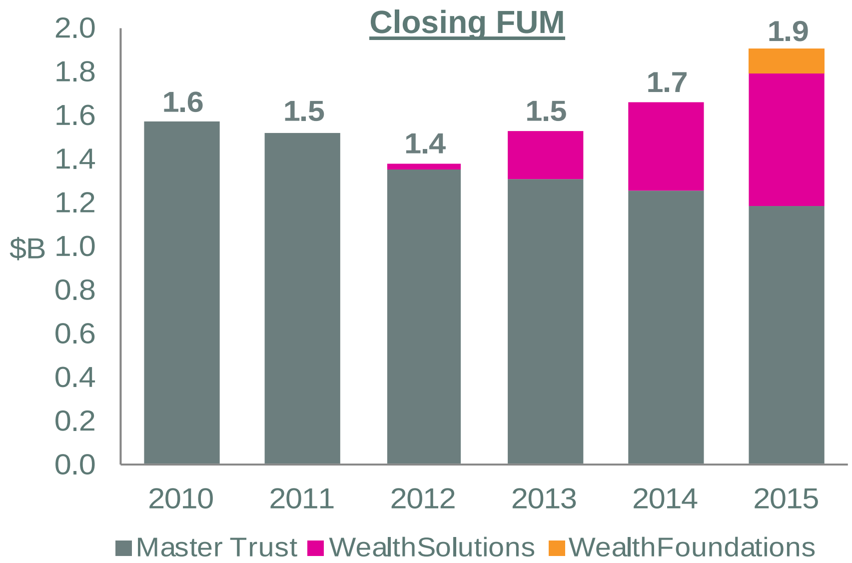
Life Insurance, $m	FY15	FY14	% Change	Commentary
BU Operating Earnings (after tax)	15.3	10.8	⬆ 41%	• Lapse and claims experience broadly in line with assumptions and overall offset each other; Investment to continue build out of distribution network, functional areas, direct cost base given growth in new business volumes and some absorption of the further investment in support services to support a larger adviser base; Maintenance expense overruns of $4.5m depress initial reported profits; these should eliminate as scale is achieved, thereby increasing underlying profit margins through the in-force portfolio; Investment earnings higher given capital required to support growth.
In-force Premium	115.7	87.5	⬆ 32%	• In-force growth driven by the LifeSolutions suite of products which reflects the continued outperformance of the product in the retail life advice market. LifeSolutions accounts for $71m or 61% of total in-force premium as at 30 June 2015. The Old direct book runs off slowly given that the product is not actively marketed to new customers.
LifeSolutions	71.0	45.2	⬆ 57%	
Non Advice	9.6	5.6	⬆ 73%	
Old Book	35.1	36.7	⬇ (4%)	
New Business	34.5	27.4	⬆ 26%	• New business of $34.5m, up 26%. This is notwithstanding the overall difficult market conditions. LifeSolutions new business is up 16% and the direct life business has shown strong new business growth with sales increasing by 84%. Direct life distribution and product profile has focused on the warm lead referral channels, resulting in some adverse lapse experience in the direct business that needs to be addressed. Direct life new business was slowed in 2H to allow for retention initiatives/ system enhancements to come online in Q1 FY16.
LifeSolutions	27.5	23.6	⬆ 16%	
Non Advice	7.0	3.8	⬆ 84%	

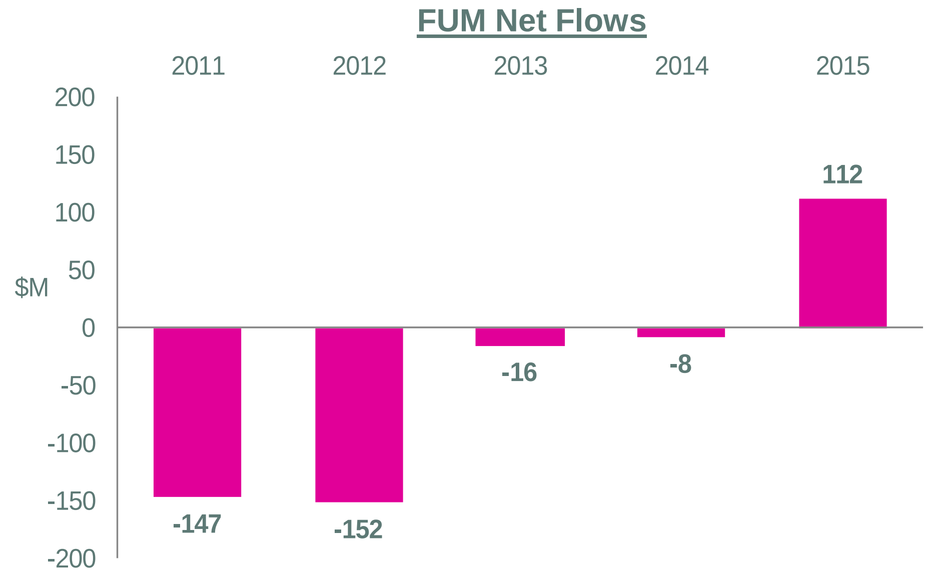




FY15 Summary Financials: Wealth Management

Wealth Management, $m	FY15	FY14	% Change	Commentary
BU Operating Earnings (after tax)	1.8	5.9	⬇ (70%)	• Fee income up 3% but lags in-force growth given that new business is written at lower margins than the Master Trust FUM; Significant increase in cost base in FY15 (+52%) given the material investment in both a new platform, migration costs and the incremental development and growth costs associated with WealthFoundations ($3.2m adverse impact in FY15); Wealth expense overruns have increased to $4.6m ($2.1m in FY14); reflects impacts of the 3rd phase of 'J curve' investment in FY15; should eliminate as scale is achieved.
Closing FUM ($b)	1.9	1.7	⬆ 15%	• Net increase in FUM levels (+15%) driven by positive net inflows and positive performance of investment markets. WealthSolutions continues to build to scale, accounts for $0.6bn or 32% of total FUM at 30 June 2015. WealthFoundations, launched in October 2014, has $0.1bn FUM at 30 June 2015, reflects early success of the roll out of the new product. Refer to commentary below on Master Trust FUM.
Master Trust ($b)	1.2	1.3	⬇ (6%)	
WealthSolutions ($b)	0.6	0.4	⬆ 50%	
WealthFoundations ($b)	0.1	0.0	⬆ Large	
FUM Net Flows	112	(8)	⬆ Large	• $112m net flow positive, driven by launch of WealthFoundations. This represents a large increase on FY14 given broadly net flow neutral in the prior year. WealthSolutions net flows up 7%; opportunity to expand distribution reach with Matrix merger. 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).
Master Trust	(164)	(161)	⬇ (1%)	
WealthSolutions	163	153	⬆ 7%	
WealthFoundations	112	0	⬆ Large	

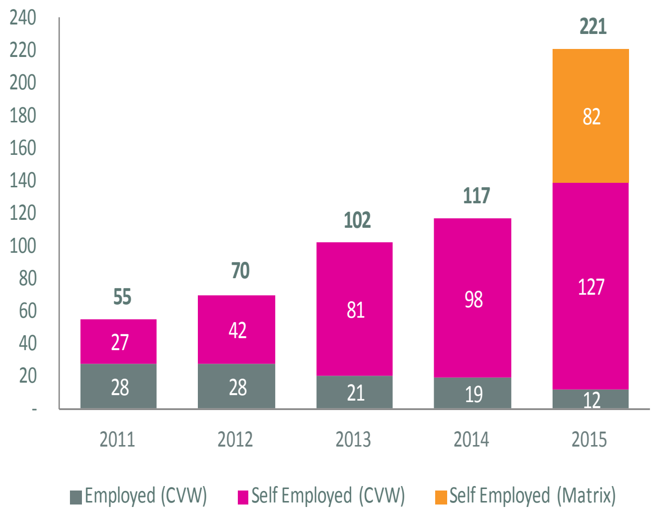




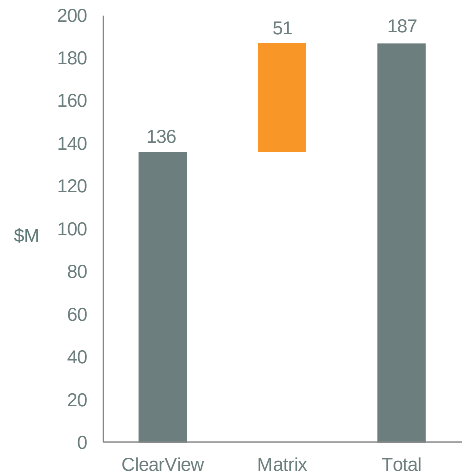
FY15 Summary Financials: Financial Advice

Financial Advice, $m	FY15	FY14	% Change	Commentary
BU Operating Earnings (after tax)	4.4	3.5	↑ 27%	• Net financial planning income up 21%, driven by the Matrix merger; the recruitment of self employed advisers has limited impact on net margin due to adviser split arrangements; Operating costs improved given the transition of the employed planners into the self employed model and some back office scale efficiencies achieved post the integration of Matrix but partially offset by the further investment in adviser support services (across the broader group) to support a larger adviser base in the merged businesses; Matrix positive UNPAT impact of $0.8m for the period from 10 October 2014; includes one-off acquisition related items of $0.2m.
FUMA ($b)	7.9	4.1	↑ 92%	• FUMA and PUA growth reflects Matrix merger and recruitment of new advisers; $7.9bn FUMA in-force of which $1.9bn is in WealthSolutions, WealthFoundations and Master Trust products; $187m PUA in-force of which $44m is in LifeSolutions. Merger with Matrix enhances the ability to deliver significant revenue synergies given ClearView's market proven products.
Premium Advised (PUA)	187.0	94.0	↑ 99%	
Number of Advisers	221	117	↑ 89%	• ClearView operates predominantly a self employed adviser model; recruitment of quality advisers continues, +19% excluding Matrix merger, driven off the back of the organic growth strategy.

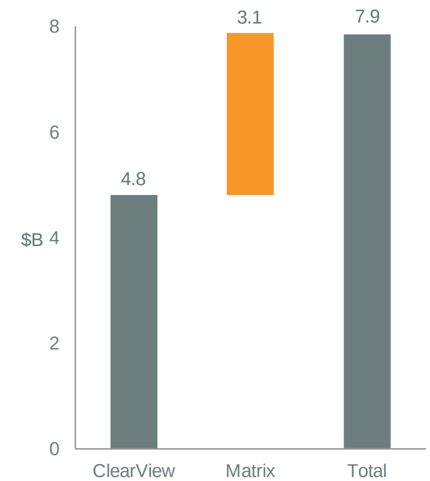
Financial Advisers



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



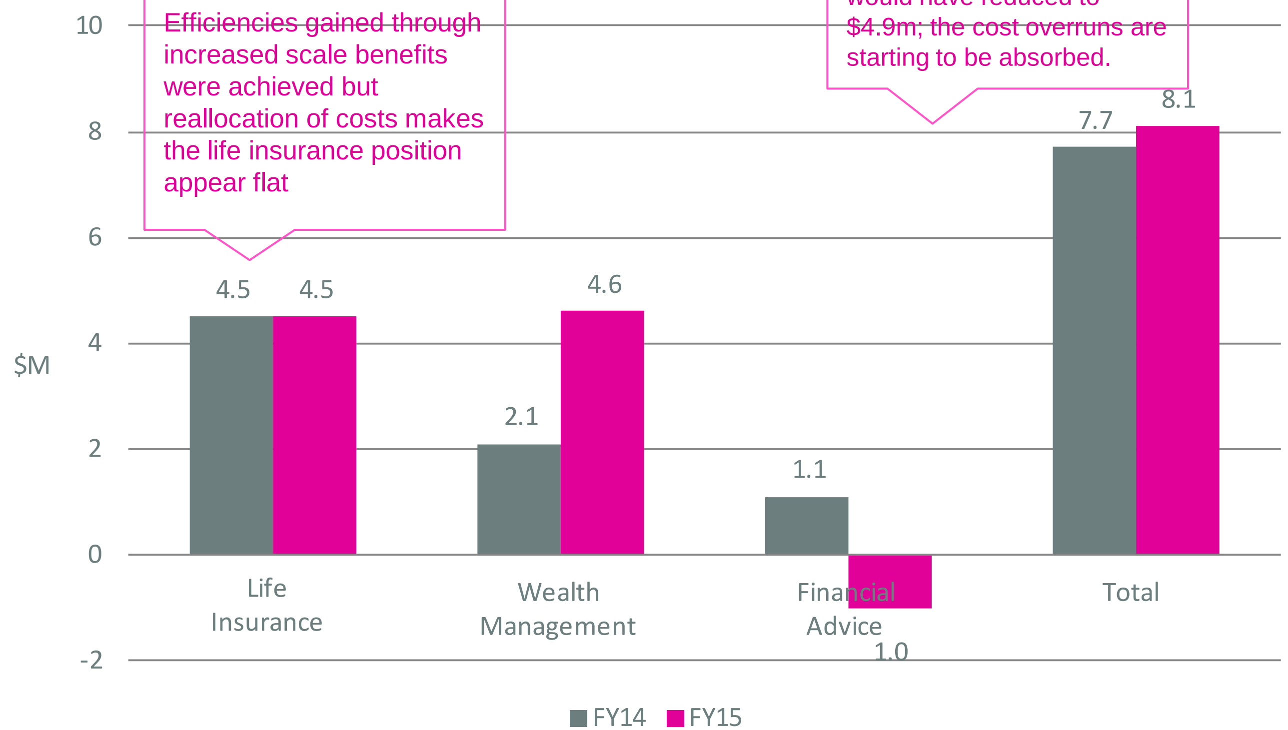
Funds Under Management and Advice ($b) (FUMA)



BU Non-Deferred Expense Overruns

Efficiencies gained through increased scale benefits were achieved but reallocation of costs makes the life insurance position appear flat

Excluding the material investment in Wealth Management of $3.2m (third phase of ‘J Curve’), the non deferred expense overruns would have reduced to $4.9m; the cost overruns are starting to be absorbed.



- Overall, the increase in non-deferred expense overruns to $8.1m (+5%) is driven by the material investment of $3.2m in Wealth Management in FY15 – excluding this investment (third phase of J Curve) and the related impact on the increase to $4.6m in Wealth Management, the non deferred expense overruns would have significantly reduced – this reflects efficiencies gained through increased scale benefits (period to period) – albeit there is some movement between segments given certain allocation of expenses;
- Life Insurance overruns are predominantly driven by the investment in LifeSolutions and the Direct Life business. FY15 also includes some absorption of the further investment in support services to support a larger adviser base (see Financial Advice below). Shared services cost increases and 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;
- Wealth Management overruns are driven by the material investment in WealthFoundations and the new wealth platform/ migration costs in FY15 as noted above;
- Financial Advice underruns are driven by the transition of the employed planners into the self employed model and some back office scale efficiencies achieved post the integration of Matrix but partially offset by the further investment in adviser support services (across the broader group) to support a larger adviser base in the merged businesses.

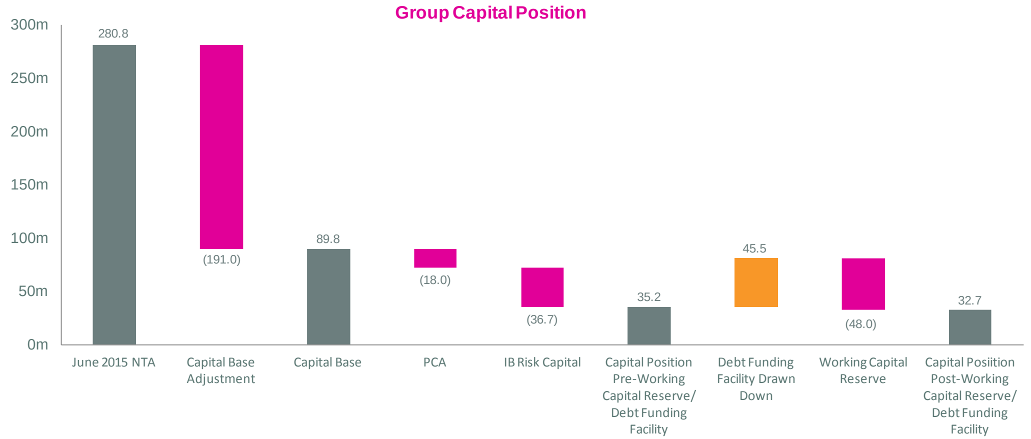
Statement of Financial Position: Shareholder[1]

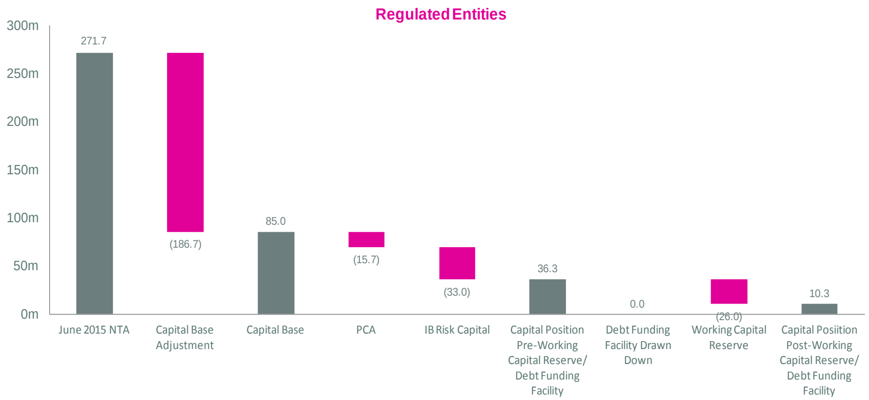
$M	JUN 2015	JUN 2014
ASSETS		
Cash equivalents	181.1	156.5
Receivables	10.0	6.2
Deferred tax asset	4.4	3.7
PP&E	1.2	1.3
Convertible Note	1.7	0.3
Goodwill	20.0	4.8
Intangibles	36.0	36.9
Total Assets	**254.4**	**209.7**
LIABILITIES		
Payables	16.6	14.7
Current tax	4.5	4.6
Provisions	5.4	3.6
Life Insurance[2]	(154.4)	(123.4)
Borrowings	45.5	-
Total Liabilities	**(82.4)**	**(100.5)**
Net Assets	**336.8**	**310.2**
Net Assets per share[3]	64.0 cents	62.3 cents
Net Tangible Assets	**280.8**	**268.4**
NTA per share[3]	54.4 cents	54.6 cents

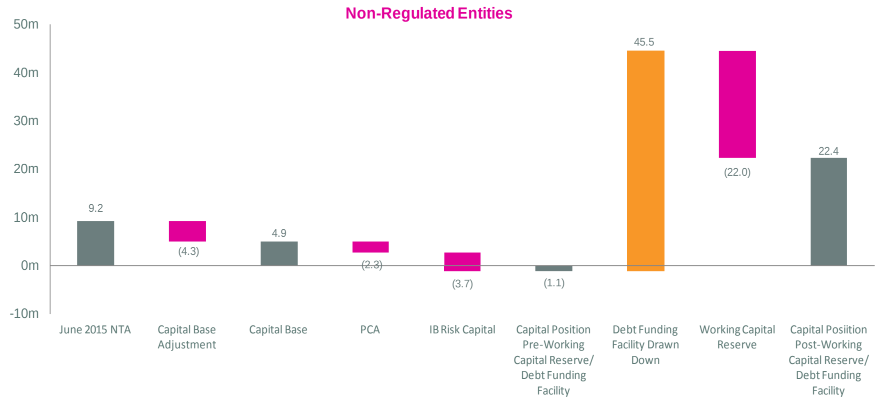
- Net cash of $135.6m at 30 June 2015;
- Entered into a 3 year, $50m facility (Debt Funding Facility) in December 2014; $45.5m drawn down as at 30 June 2015;
- $7.8m cash payment and 15.4m shares issued as contingent consideration for the purchase of Matrix; net positive impact on net assets of $12.5m from the issue of performance based shares;
- Goodwill ($15.1m) and intangibles ($4.7m) recognised on the acquisition of Matrix. Acquired intangibles written off over estimated useful lives;
- Shareholder capital continues to be conservatively invested in cash and interest bearing securities;
- Convertible Note of $1.7m reflects amounts drawn down to date under $3.3m commitment to Your Insure;
- Intangible assets includes capitalisation of software ($10.0m carrying value). Includes capitalised costs associated with new wealth platform, net carrying value of $4.7m at 30 June 2015;
- 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 $32.7m as at 30 June 2015. Internal benchmarks (across the Group) include $48m 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 the 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 $36.5m (FY14:$28.7m) and 58.4m (FY14: 49.4m) ESP shares.

Group Capital Position at 30 June 2015







- Net tangible assets of $280.8m at 30 June 2015 includes net cash of $135.6m;
- 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 (for example, Tier 2 debt) as the need for, and quantum of, longer term capital funding emerges;
- As at 30 June 2015, the regulated entities have $10.3m of net assets in excess of their internal benchmarks. The Group capital position (adjusting for amounts drawn down under the Debt Funding Facility) is $32.7m. Internal benchmarks across the Group include $48m working capital reserve to fund future 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.

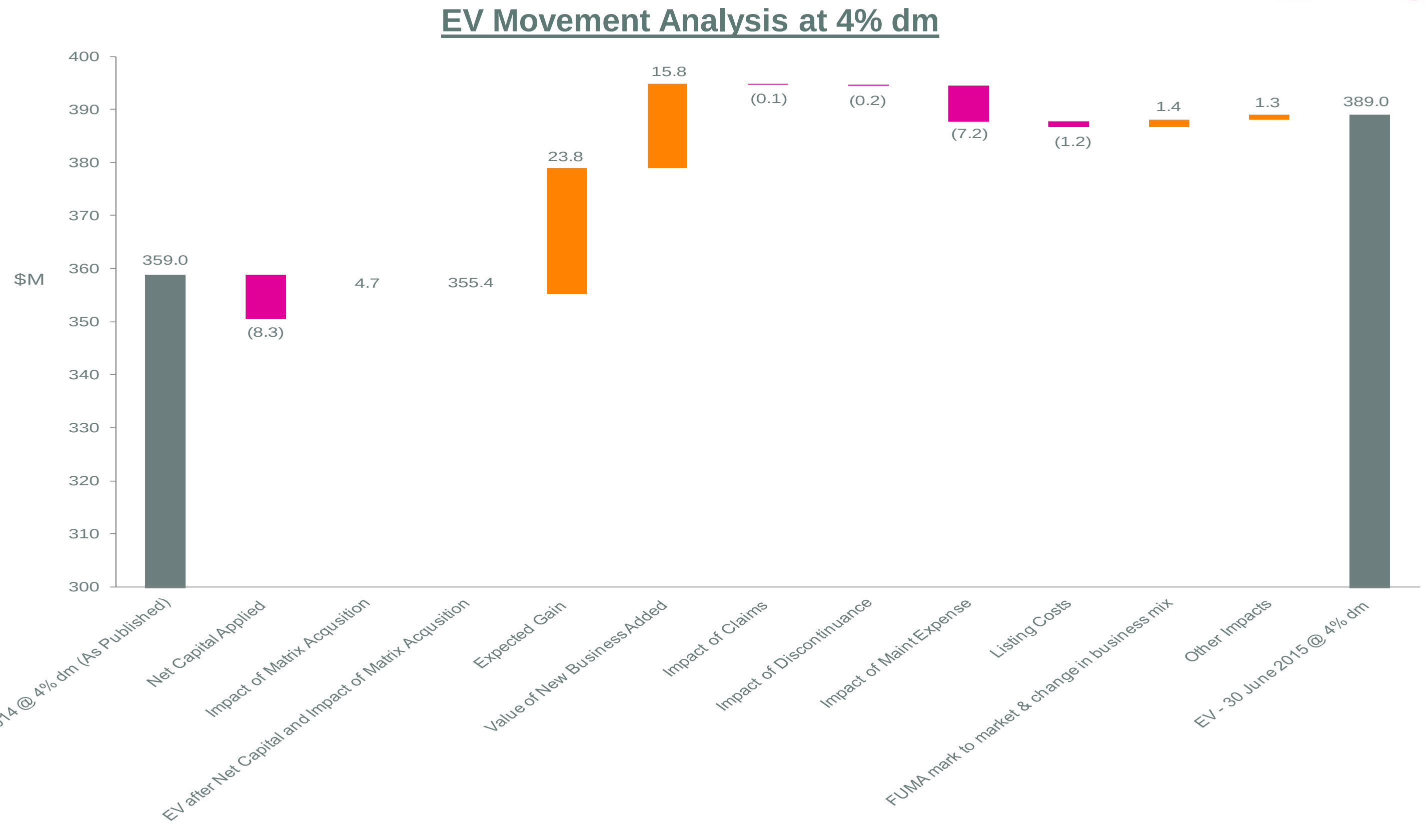
Note: Internal benchmarks exceed regulatory requirements.

Embedded Value (EV) AT 30 June 2015

RISK MARGIN OVER RISK FREE: $M, (UNLESS STATED OTHERWISE)	3% DM	4% DM	5% DM
Life Insurance	261.5	246.9	234.0
Wealth Management	43.1	41.2	33.3
Financial Advice	30.8	29.0	28.5
Value of In-Force (VIF)	**335.4**	**317.1**	**295.8**
Net Worth	71.9	71.9	71.9
Total EV	**407.3**	**389.0**	**367.7**
ESP Loans	**36.5**	**36.5**	**36.5**
Total EV Incl. ESP Loans	**443.8**	**425.5**	**404.2**
Imputation Credits:			
Life Insurance	41.3	38.8	36.5
Wealth Management	11.1	10.6	8.4
Financial Advice	8.5	8.2	8.2
Total EV Incl. Imputation Credits and ESP Loans	**504.7**	**483.1**	**457.3**
EV per Share Incl. ESP Loans (cents)	76.1	73.0	69.3
EV per Share Incl. Imputation Credits and ESP Loans (cents)	**86.6**	**82.9**	**78.4**

- The EV is made up of the value of the in-force (VIF) and the Net Worth;
- The EV is the value of all business written to date determined by actuarial assumptions and modelling. Note that:
  - The EV excludes the value of any future growth potential. It is based only on the in-force portfolios as at 30 June 2015. 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 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 assumed long term risk free rate. The long term risk free rate adopted for the FY15 EV is 4% (FY14: 4%)

Embedded Value (EV) Movement Analysis @ 4% DM AT 30 JUNE 2015



- Value of new business (VNB) of $15.8m is up 66%; now positive and growing given increased scale; acquisition expense overruns (-$10.0m in FY15) across all product lines are included (netted) within the VNB
- 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
- Maintenance expense overruns depress the growth in EV (-$7.2m in FY15); these should eliminate as scale is achieved, thereby increasing underlying profits realised on the growing in-force portfolio and removing the drag on the EV
- EV increased by 9.5% 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

Agenda

A	Overview and Strategy
B	FY2015 Results
C	**FY2015 Execution Scorecard**
D	Summary & Outlook

ClearView Execution Scorecard

	FY15 Operational Summary	FY16 Operational Priorities
Life Advice	• Implemented LifeSolutions product upgrade in September 2014 to further improve the product features and offering; • Investment to support the business and upgrade adviser interaction; • Expanded geographic footprint; continued development of national presence and distribution capability.	• Continued investment in systems to upgrade adviser interaction and improve back office efficiency; • Broaden out distribution with a continued focus on quality advisers; proposed regulatory changes can create stepped change in distribution profile; • Implement life insurance reforms.
Life Direct	• Continued build out of call centre in Parramatta and infrastructure in line with growth in volumes; • Intentional slow down in volume growth in 2H FY15 to align with retention strategies/ system enhancements; • Launch of new partnership and funding arrangement with Your Insure.	• Focus on retention in warm lead referral channels with build out of retention team and implementation of system enhancements; • Gain further traction with strategic partners to increase member penetration with a focus on developing the mid market segment; • Product enhancements and development with related investment in systems; • Increased focus on scaled advice opportunity.
Wealth	• Material investment to build out a new compliant, scalable and functional wealth platform and launched WealthFoundations in October 2014; • Delayed project for the migration of Master Trust product onto the new platform; migration reprioritised to bring forward some other development projects; reduce the overall expected costs and impacts of the Master Trust migration.	• Broadening the distribution of the recently launched WealthFoundations product to further improve net flows; leverage off existing LifeSolutions distribution agreements; • Implement WealthSolutions product upgrades and enhancements to further support adviser base; • Migration of Master Trust product over time.
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.	• Continued integration of Matrix and the achievement of performance based targets over time; • Continue recruiting high quality advisers who have the right cultural fit for ClearView and Matrix. Quality over quantity; • Compliant focus and culture with implementation of best of breed advice processes.

Agenda

A	Executive Summary and Strategy Update
B	FY2015 Results
C	FY2015 Execution Scorecard
D	**Summary & Outlook**

Summary and Outlook

Business Performance

- Positive momentum in key operating metrics across the business in FY15 vs. FY14
  - Life: In-force premium +32%; new business +26%
  - Wealth: FUM +15%; net flows $112m positive vs. significant outflow prior to launch of WealthSolutions in Dec 2011
  - Financial Advice: Adviser numbers +89%; premium advised +99%; FUMA +92%
- Strong financial performance: UNPAT +4% but FY15 profits impacted by material investment in Wealth Management (UNPAT +17% adjusted for the investment in Wealth Management and Matrix contribution);
- Life Insurance UNPAT up 41%; reflective of the emergence of profit from the growth in the underlying in-force portfolios given the initial investment in life insurance over the last 3 financial years;
- Embedded Value +9%; Value of New Business +66%.

Business Outlook

- ClearView continues to focus on the profitable market segments and not being "all things to all people";
- FY15 concludes a successful 3 year strategy focused on building ClearView's market position in the life insurance, wealth management and financial advice markets;
- Implementing a high growth strategy has to date required an investment in a cost structure prior to the realisation of revenue benefits; initial phases of "J Curve" investment now complete;
- Expense overruns depress initial reported profits but should eliminate as scale is achieved, thereby increasing underlying profits realised on the growing in-force portfolio; expense overruns are expected to unwind over the medium term;
- ClearView has now established a strong platform to drive momentum and convert its strategic positioning into material earnings growth;
- Material earnings growth is expected to emerge in FY16 given the growth profile of the underlying businesses and the compound nature of life insurance and wealth management businesses;
- ClearView is well positioned to gain from market disruption around life insurance reforms with a potential stepped change in distribution profile if the proposed reforms are implemented;
- While ClearView remains a high growth company (relative to the in-force portfolio) it will likely require net capital funding; the $50m Debt Funding Facility will be replaced with one or more longer term capital solutions (for example, Tier 2 debt) as the need for, and quantum of, longer term capital funding emerges.

The initial phases of "J Curve" investment strategy are now complete. Material earnings growth is expected to emerge in FY16 given the growth profile of the underlying businesses and the compound nature of life insurance and wealth management businesses

Appendix - FY2015 Results

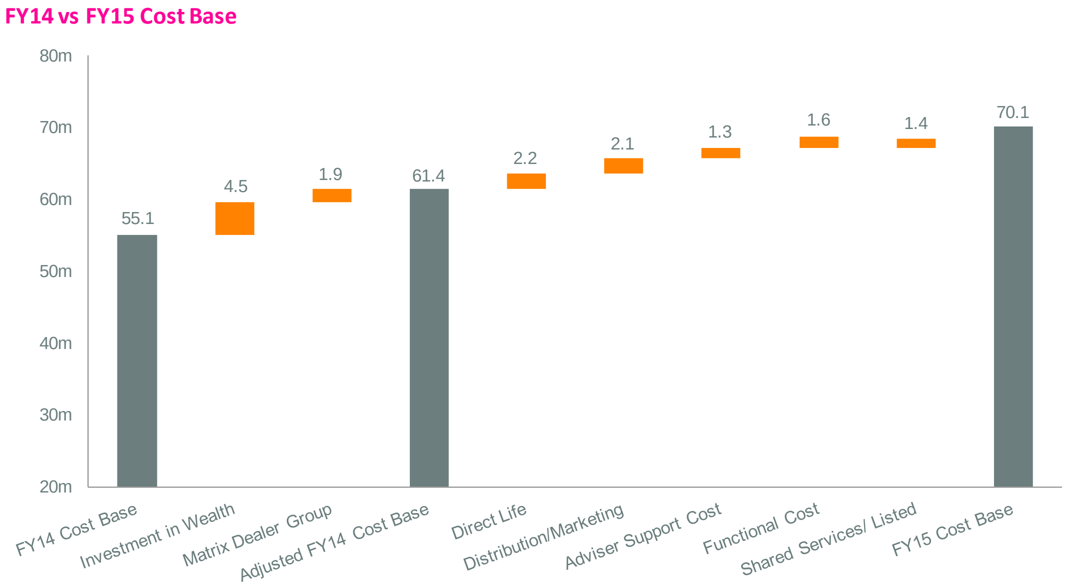
Consolidated Result: Shareholder View[1] – FY2015

$M, YEAR ENDED 30 JUNE 2015	2014	2015	% CHANGE[2]	2015 1H	2015 2H	% CHANGE[3]
Gross life insurance premiums	76.8	105.1	37%	49.6	55.5	12%
Fund management fees	30.4	31.3	3%	15.2	16.1	6%
Net financial planning fees	12.6	15.2	21%	7.0	8.2	17%
Interest income	4.3	5.1	20%	2.6	2.5	-4%
Gross Income	**124.1**	**156.7**	**26%**	**74.4**	**82.3**	**11%**
Net claims incurred	(14.3)	(17.9)	26%	(8.5)	(9.4)	11%
Reinsurance premium expense	(10.3)	(18.9)	83%	(8.1)	(10.8)	33%
Commission and other variable expenses	(32.5)	(43.0)	32%	(21.1)	(21.9)	4%
Funds management expenses	(5.7)	(6.5)	13%	(3.3)	(3.2)	-2%
Operating expenses	(55.1)	(70.1)	27%	(34.1)	(36.0)	6%
Movement in policy liabilities	22.0	29.4	34%	14.8	14.6	-2%
Total Operating Earnings (before tax)	**28.2**	**29.7**	**5%**	**14.1**	**15.6**	**10%**
Income tax (expense) / benefit	(8.5)	(8.8)	4%	(4.2)	(4.6)	10%
Total Operating Earnings (after tax)	**19.7**	**20.9**	**6%**	**9.9**	**11.0**	**11%**
Interest expense on corporate debt (after tax)	0.0	(0.4)	**Large**	0.0	(0.4)	**Large**
Underlying NPAT	**19.7**	**20.5**	**4%**	**9.9**	**10.6**	**7%**
Amortisation of intangibles	(7.4)	(9.0)	21%	(4.5)	(4.5)	2%
Policy liability discount rate effect	2.2	4.2	89%	5.2	(1.0)	Large
Matrix deal and integration costs	0.0	(2.3)	Large	(1.8)	(0.5)	-74%
Tax effect	(0.6)	(0.9)	46%	(1.2)	0.3	Large
Reported NPAT	**13.9**	**12.5**	**-10%**	**7.6**	**4.9**	**-36%**
BUSINESS UNIT P&L						
Life Insurance	10.8	15.3	41%	7.3	8.0	9%
Wealth Management	5.9	1.8	-70%	1.1	0.7	-40%
Financial Advice	3.5	4.4	27%	1.9	2.5	30%
BU Operating Earnings (after tax)	**20.2**	**21.5**	**6%**	**10.3**	**11.2**	**8%**
Listed Entity and Other	(0.5)	(0.6)	34%	(0.4)	(0.2)	-38%
Total Operating Earnings (after tax)	**19.7**	**20.9**	**6%**	**9.9**	**11.0**	**12%**
Interest expense on corporate debt (after tax)	0.0	(0.4)	Large	0.0	(0.4)	Large
Underlying NPAT	**19.7**	**20.5**	**4%**	**9.9**	**10.6**	**7%**

- 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):
  - Adverse life insurance claims experience in FY15 (-$0.1m); and
  - Positive life insurance lapse experience in FY15 (+$0.1m).
- FUM (+15%) has been positively impacted by favourable investment markets and positive net flows of $112m. Fees up 3% 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 $3.2m UNPAT impact in FY15
- FUMA and premiums under advice has also been positively impacted by the Matrix merger and further recruitment of self employed advisers; Net financial planning fees up 21% driven by Matrix merger
- Merger with Matrix contributed UNPAT of $0.8m from date of acquisition (10 October), albeit $0.2m one-off tax items
- Cost base increase (+27%) impacted by investment in Wealth Management and Matrix consolidation for the first time. Excluding these cost base is up 14%; Non-deferrable expense overruns of $8.1m, reflecting investment of $3.2m in Wealth Management in FY15. Refer to next slide for details
- Other adjustments impacted reported profit as outlined on Slide 36

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 FY14 to FY15. Note 3: % change represents the movement from 1H FY15 to 2H FY15.

Cost Base – Investment Ahead of Earnings



- Implementing a high growth strategy (effectively across 3 "J Curves") has to date 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 (non-deferrable expense overruns of $8.1m in FY15) given the investment in wealth and to build capability for the future. Expense overruns depress initial reported profits but should eliminate as scale is achieved, thereby increasing underlying profits realised on the growing in-force portfolio.

Investment in Wealth – This relates to the investment in a new contemporary platform, the incremental growth and development costs related to the launch of the WealthFoundations and the costs incurred/provisioned for the subsequent migration of the Master Trust product onto the new platform over time;

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 outbound call centre capability to support the increased volumes between periods. Life sales in the direct business have increased by 84% over the prior comparable period. The build out of the retention team and development of system enhancements remains a key focus;

Distribution/ Marketing – The distribution/ front end costs 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 BDMs through the growth phase is on broadening out the distribution of the product, which will change the mix of adviser support over time as further critical mass in new business is achieved. Distribution also includes the increased investment in wealth management front end and marketing to further support the growth of the business;

Adviser Support Costs – 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;

Functional – These relate to increases in the functional areas to support the growth in the business, including administration, in bound call centre, claims and underwriting costs. These reflect the growth in the underlying business volumes period to period; and

Shared Services/ Listed - Shared services cost increases and 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 – FY2015

$M, OTHER ADJUSTMENTS	2014	2015	% CHANGE[1]	2015		% CHANGE[2]
				1H	2H	
Policy liability discount rate effect	2.2	4.2	89%	5.2	(1.0)	Large
Matrix integration costs	0.0	(2.3)	Large	(1.8)	(0.5)	-74%
Tax effect	(0.6)	(0.9)	46%	(1.2)	0.3	Large
Total Other Adjustments (After Tax)	**1.6**	**1.0**	**-35%**	**2.2**	**(1.2)**	**Large**

- 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 deal and integration costs incurred in FY15 include onerous lease costs, legal fees, due diligence costs, employee termination expenses 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 FY14 to FY15. Note 2: % change represents the movement from 1H FY15 to 2H FY15.

Life Insurance –FY2015

$M, YEAR ENDED 30 JUNE 2015	2014	2015	% CHANGE[1]	2015 1H	2015 2H	% CHANGE[2]
Gross life insurance premiums	76.8	105.1	37%	49.6	55.5	12%
Interest income	2.3	3.0	30%	1.5	1.5	6%
Net claims incurred	(14.3)	(17.9)	26%	(8.5)	(9.4)	11%
Reinsurance premium expense	(10.3)	(18.9)	83%	(8.1)	(10.8)	33%
Commission and other variable expenses	(25.5)	(35.8)	41%	(17.6)	(18.2)	3%
Operating expenses	(35.6)	(43.1)	21%	(21.2)	(21.9)	3%
Movement in policy liabilities	22.0	29.4	34%	14.8	14.6	-2%
BU Operating NPBT	**15.4**	**21.8**	**41%**	**10.5**	**11.3**	**8%**
Income tax (expense) / benefit	(4.6)	(6.5)	41%	(3.2)	(3.3)	6%
BU Operating NPAT	**10.8**	**15.3**	**41%**	**7.3**	**8.0**	**9%**
Amortisation of Intangibles	(1.4)	(2.9)	101%	(1.5)	(1.4)	-3%
Policy Liability Discount Rate Effect	2.2	4.2	89%	5.2	(1.0)	Large
Matrix deal and integration costs	0.0	0.0	0%	0.0	0.0	0%
Tax Effect and Other	(0.6)	(1.3)	126%	(1.6)	0.3	Large
Reported NPAT	**11.0**	**15.3**	**39%**	**9.4**	**5.9**	**-38%**

KEY STATISTICS AND RATIOS	2014	2015	% CHANGE[1]	2015 1H	2015 2H	% CHANGE[2]
New Business (Life)	27.4	34.5	26%	17.0	17.5	3%
LifeSolutions (Life)	23.6	27.5	16%	13.2	14.3	8%
Non Advice (Life)	3.8	7.0	84%	3.8	3.2	-15%
In-Force (Life)	87.5	115.7	32%	101.4	115.7	14%
LifeSolutions (Life)	45.2	71.0	57%	57.5	71.0	24%
Non Advice (Life)	42.3	44.8	6%	43.9	44.8	2%
Cost to Income Ratio	46.3%	41.0%	-	42.7%	39.4%	-

- Growth of LifeSolutions has continued, with in-force premium of $71.0m as at 30 June 2015 (+57%), representing 61% of the total life insurance in-force book. LifeSolutions new business is up 16%
- Direct life business has shown strong volume growth with life sales increasing by 84% over the past 12 months. Intentional slow down in volume growth in 2H FY15 to align with retention strategies/ system enhancements. New direct in-force book of $9.7m (+73%); old book in-force premium of $35.1m (-4%)
- Experience analysis in 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 (+21%) relates to:
  - Distribution costs including the development of a national presence and distribution capability;
  - The functional areas to support the growth in the business including system and administration related costs;
  - Continued investment in direct life given volume growth in the business; and
  - Absorption of increased shared services costs and the further investment in support services (across the broader group) to support a larger adviser base.

  Reduction in cost to income ratio to 41% (from 46%) reflective of the increased scale benefits period to period
- 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 FY14 to FY15. Note 2: % change represents the movement from 1H FY15 to 2H FY15.

Life Insurance – FY2015 Analysis of Profit

$M, YEAR ENDED 30 JUNE 2015	2014	2015
Actuarial planned BU Operating NPAT	15.1	19.2
Claims experience	1.1	(0.1)
Lapse experience	(0.9)	0.1
Expense experience	(4.5)	(4.5)
Other	0.1	0.6
Actual BU Operating NPAT	**10.8**	**15.3**

- Actuarial planned BU Operating NPAT reflects the expected profit margins on the in-force book based on actuarial assumptions ($19.2m in FY15; +27%). Reflective of the strong growth in the business partially offset by the run off of the higher margin old direct book.
- Adverse claims experience loss (after tax) of $0.1m compared to an experience profit in FY14 of $1.1m (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.
- Favourable lapse experience relative to the rates assumed in the life insurance policy liability (determined at 30 June 2014) with an experience profit of $0.1m (after tax) in FY15 (relative to planned margins) ($0.9m loss in FY14). The favourable lapse experience predominantly offset the adverse claims experience.
- 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. This positive experience was partially offset 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. Therefore, there was an intentional slow down in new business volume growth in 2H FY15 to align with retention strategies/ system enhancements.
- 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 $4.5m for the year ($4.5m in FY14). Refer to Slide 16 for details of expense overruns across the Group given impacts of cost allocations between periods.

Wealth Management – FY2015

$M, YEAR ENDED 30 JUNE 2015	2014	2015	% CHANGE[1]	2015 1H	2015 2H	% CHANGE[2]
Fund management fees	30.4	31.3	3%	15.2	16.1	6%
Interest income	0.8	0.5	-31%	0.3	0.2	-24%
Variable expense	(7.1)	(7.2)	1%	(3.5)	(3.7)	3%
Internal advice fee (Master Trust)	(6.4)	(6.2)	-3%	(3.0)	(3.2)	6%
Platform fee (WealthSolutions)	(0.7)	(1.0)	50%	(0.5)	(0.5)	9%
Funds management expenses	(5.7)	(6.5)	13%	(3.3)	(3.2)	-2%
Operating expenses	(10.5)	(15.9)	52%	(7.4)	(8.5)	14%
BU Operating NPBT	**8.0**	**2.2**	**-72%**	**1.3**	**0.9**	**-27%**
Income tax (expense) / benefit	(2.1)	(0.4)	-78%	(0.2)	(0.2)	62%
BU Operating NPAT	**5.9**	**1.8**	**-70%**	**1.1**	**0.7**	**-40%**
Amortisation of Intangibles	(5.2)	(5.2)	1%	(2.6)	(2.6)	0%
Policy Liability Discount Rate Effect	0.0	0.0	0%	0.0	0.0	0%
Matrix deal and integration costs	0.0	0.0	0%	0.0	0.0	0%
Tax Effect and Other	0.0	0.0	0%	0.0	0.0	0%
Reported NPAT	**0.7**	**(3.4)**	**Large**	**(1.5)**	**(1.9)**	**30%**

KEY STATISTICS AND RATIOS	2014	2015	% CHANGE[1]	2015 1H	2015 2H	% CHANGE[2]
Wealth (Net Flows)	(8.4)	111.6	Large	25.6	85.8	-235%
Master Trust (Net Flows)	(161.3)	(163.6)	-1%	(99.1)	(64.6)	35%
WealthSolutions (Net Flows)	152.9	163.4	-7%	72.8	90.5	24%
WealthFoundations (Net Flows)	0.0	111.8	Large	51.9	59.9	15%
Wealth Total (FUM) ($b)	1.7	1.9	15%	1.8	1.9	7%
Master Trust (FUM) ($b)	1.3	1.2	-6%	1.2	1.2	-3%
WealthSolutions (FUM) ($b)	0.4	0.6	50%	0.5	0.6	21%
WealthFoundations (FUM) ($b)	0.0	0.1	Large	0.1	0.1	111%
Cost to Income Ratio	34.3%	50.9%	-	49.0%	52.6%	-

- Net increase in FUM levels (+15%) driven by the positive performance of investment markets and positive net flows (+$112m)
- New business is written into WealthSolutions and WealthFoundations at lower margins than the in-force Master Trust products; fee income growth of +3% therefore lags FUM growth given the 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 (+52%) given the investment in both the build out of a new platform (including the costs incurred/provisioned for the subsequent migration of the Master Trust product onto the new platform over time) and the incremental development and growth costs associated with WealthFoundations ($4.5m of costs incurred). Increase also includes investment in distribution/ front end of wealth business. WealthSolutions continues to build to scale. This impacted on both the cost to income ratio (up to 51%) and the expense overruns (up to $4.6m from $2.1m in FY14)
- Tax benefit of $0.2m included in the result (exempt fees in the Master Trust product range), 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 FY14 to FY15. Note 2: % change represents the movement from 1H FY15 to 2H FY15.

Financial Advice – FY2015

$M, YEAR ENDED 30 JUNE 2015	2014	2015	% CHANGE[1]	2015		% CHANGE[2]
				1H	2H	
Net financial planning fees	12.6	15.2	21%	7.0	8.2	17%
Interest and other income	0.2	0.4	79%	0.2	0.2	-2%
Operating expenses	(7.9)	(9.4)	20%	(4.6)	(4.8)	5%
BU Operating NPBT	**5.0**	**6.2**	**25%**	**2.6**	**3.6**	**36%**
Income tax (expense) / benefit	(1.5)	(1.8)	19%	(0.7)	(1.1)	50%
BU Operating NPAT	**3.5**	**4.4**	**27%**	**1.9**	**2.5**	**30%**
Amortisation of Intangibles	(0.8)	(0.9)	18%	(0.4)	(0.5)	22%
Policy Liability Discount Rate Effect	0.0	0.0	0%	0.0	0.0	0%
Matrix deal and integration costs	0.0	(0.4)	Large	(0.4)	0.0	Large
Tax Effect and Other	0.0	0.1	Large	0.1	0.0	Large
Reported NPAT	**2.7**	**3.2**	18%	**1.2**	**2.0**	**68%**

KEY STATISTICS AND RATIOS	2014	2015	% CHANGE[1]	2015		% CHANGE[2]
				1H	2H	
Cost to Income Ratio	62.5%	62.0%	-	65.6%	59.0%	-
FUMA ($b)	4.1	7.9	93%	7.4	7.9	6%
PUA	94	187	98%	160	187	17%

- Funds Under Management and Advice (FUMA) levels increased over the period driven by the positive performance of investment markets and the further recruitment of self employed advisers. The merger with Matrix materially expands the footprint of ClearView
- Net financial planning fees is up 21% driven by the Matrix merger. The recruitment of self employed advisers into ClearView has had limited impact on margin to date due to the adviser split arrangements (number of advisers excluding Matrix is up 19%)
- The financial advice fees expense includes 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 $0.8m but included a one-off benefits of $0.2m
- Cost base increase of 20%, predominantly relates to the consolidation of Matrix for the first time; other cost benefits are driven by the transition of the employed planners into the self employed model and some back office scale efficiencies achieved post the integration of Matrix but partially offset by the further investment in adviser support services (across the broader group) to support a larger adviser base in the merged businesses

Note 1: % change represents the movement from FY14 to FY15. Note 2: % change represents the movement from 1H FY15 to 2H FY15. Note 3: 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 (FY15: $41.0m; FY14: $29.4m) but including the Matrix net retained margin of $2.8m in FY15

Listed Entity – FY2015

$M, YEAR ENDED 30 JUNE 2015	2014	2015	% CHANGE[1]	2015		% CHANGE[2]
				1H	2H	
Interest income	1.0	1.2	24%	0.6	0.6	-5%
Operating expenses	(1.2)	(1.7)	45%	(0.9)	(0.8)	-4%
BU Operating NPBT	**(0.2)**	**(0.5)**	**154%**	**(0.2)**	**(0.2)**	**-1%**
Income tax (expense) / benefit	(0.3)	(0.1)	-52%	(0.1)	0.0	Large
BU Operating NPAT	**(0.5)**	**(0.6)**	**34%**	**(0.4)**	**(0.2)**	**-38%**
Interest expense on corporate debt (after tax)	0.0	(0.4)	Large	0.0	(0.4)	Large
Underlying NPAT	**(0.5)**	**(1.0)**	**116%**	**(0.4)**	**(0.6)**	**59%**
Amortisation of Intangibles	0.0	0.0	0%	0.0	0.0	0%
Policy Liability Discount Rate Effect	0.0	0.0	0%	0.0	0.0	0%
Matrix deal and integration costs	0.0	(1.9)	Large	(1.4)	(0.5)	-66%
Tax Effect and Other	0.0	0.3	Large	0.3	0.0	Large
Reported NPAT	**(0.5)**	**(2.6)**	**466%**	**(1.4)**	**(1.1)**	**-24%**

- 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 and draw downs under the Debt Funding Facility, 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 FY15 (+$0.5m)
- Tax expense of $0.1m (FY14: $0.3m) related to timing differences, partially offsetting tax benefits in other segments. The Group has an effective tax rate of 30% (consistent with the prior comparable period)

Note 1: % change represents the movement from FY14 to FY15. Note 2: % change represents the movement from 1H FY15 to 2H FY15.

Embedded Value and Capital Position

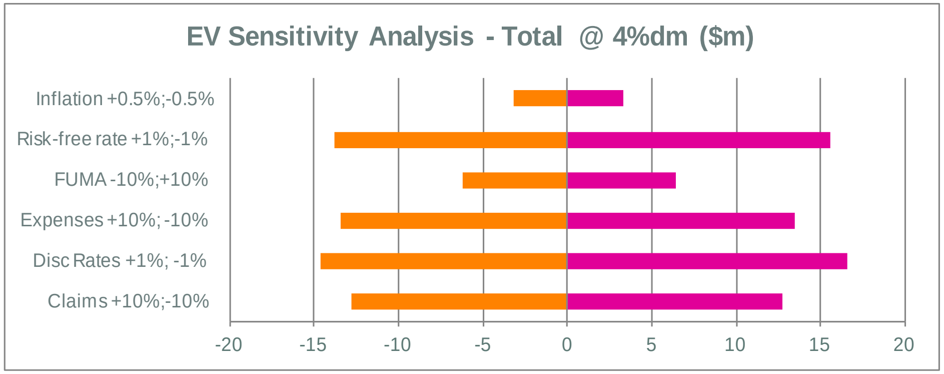
Embedded Value (EV) Movement Analysis @ 4% DM by Segment at 30 June 2015

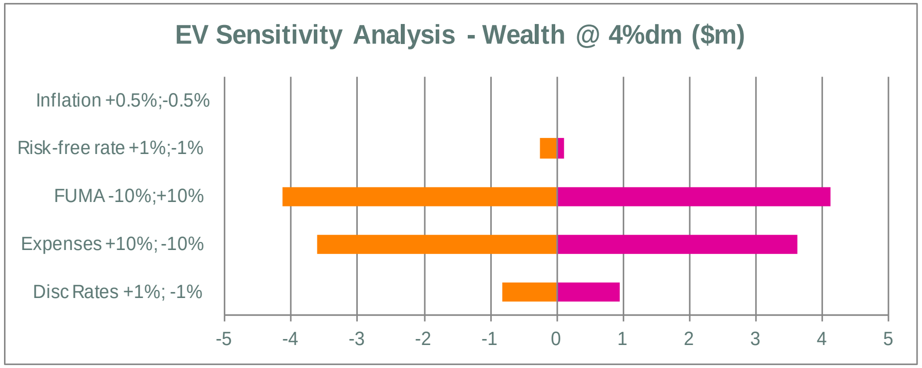
MOVEMENT ANALYSIS @ 4% dm ($m)	Life	Wealth	Advice	Net Worth	Total
EV - 30 June 2014 (As Published)	**230.4**	**51.6**	**30.7**	**46.3**	**359.0**
Net Capital Applied	28.0	0.5	(3.2)	(33.6)	(8.3)
Matrix Value	0.0	0.0	4.7	0.0	4.7
EV - 30 June 2014 @ 4% dm and post dividends/capital applied	**258.4**	**52.1**	**32.2**	**12.7**	**355.4**
Expected Gain	16.8	3.7	2.0	1.4	23.8
VNB Added	12.9	2.6	0.2	0.0	15.8
Impact of Claims	(0.1)	0.0	0.0	0.0	(0.1)
Impact of Discontinuances	0.5	(0.6)	(0.0)	0.0	(0.2)
Impact of Maintenance Expenses	(4.5)	(4.8)	2.1	0.0	(7.2)
Listing Expenses	0.0	0.0	0.0	(1.2)	(1.2)
FUMA Mark to Market and change in business mix	0.0	1.5	(0.0)	0.0	1.4
Other Impacts	3.6	(0.8)	(1.1)	(0.4)	1.3
EV at 30 June 2015 @ 4% dm	**287.5**	**53.7**	**35.3**	**12.5**	**389.0**

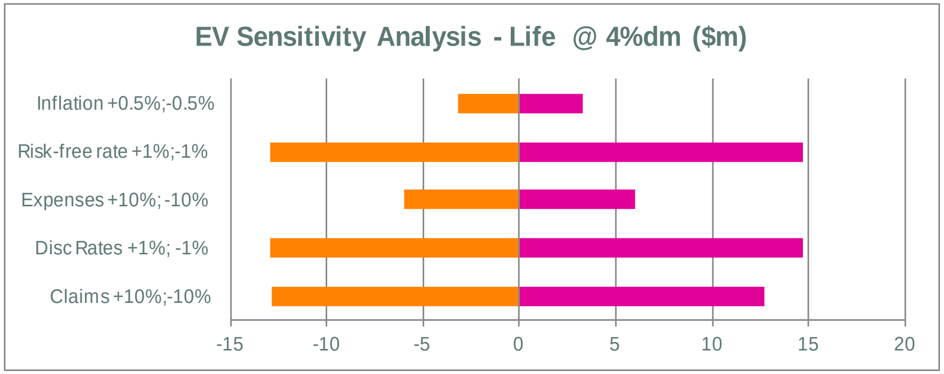
Embedded Value (EV) Movement Analysis Commentary

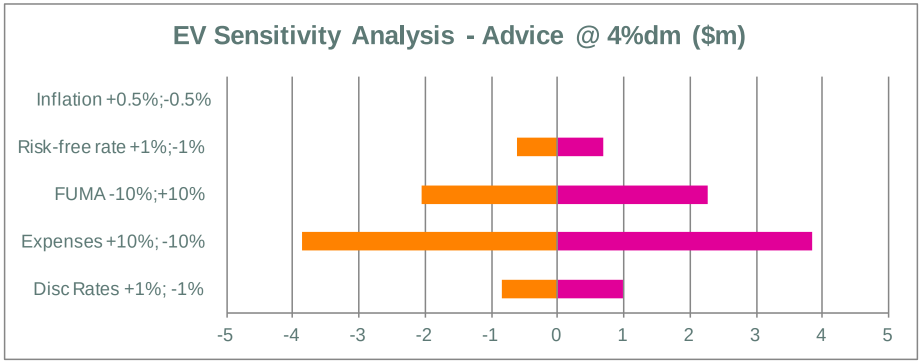
Reference	EV Impact	Reason for Movement
Net Capital Applied	($8.3m)	Net impact of the cash consideration of the Matrix merger and deal and integration costs (net of tax), the Dividend Reinvestment Plan (DRP) and related repayment of ESP loans by participants given their ineligibility to participate in 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	$23.8m	Expected gain represents the unwind of the discount rate within the value of in-force and investment earnings on net worth.
VNB Added	$15.8m	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.
Claims	($0.1m)	The claims experience of LifeSolutions was favourable in FY15. There was some adverse claims experience on the old book and 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	($0.2m)	The life insurance lapses impact (+$0.5m) was driven by better than expected lapses for the LifeSolutions product and the old book partially offset by lapse rates for the new non-advice business being higher than expected. The balance of the impact was due to higher discontinuance rates for the Wealth and Financial Advice business (-$0.7m) – 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	($7.2m)	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 growth in 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 growth in EV. The Financial Advice business had a positive maintenance expense variance (+$2.1m) that reduced the overruns in Life Insurance (-$4.5m) and Wealth management (-$4.8m). The increase in Wealth management overruns was driven by the investment in a new platform, migration costs and the development and launch of WealthFoundations.
Listing Expenses	($1.2m)	Expenses were impacted by the Group's listed overhead costs which are not allowed for in the EV.
FUMA Mark to Market	$1.4m	The net investment performance on the funds under management 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.

Embedded Value (EV) Sensitivity Analysis @ 4% DM









Group Net Assets & Capital Analysis at 30 June 2015

GROUP CAPITAL POSITION ($M)	Life	Wealth	Other	APRA Regulated Entities	Wealth	Financial Advice	ASIC Regulated Entities	All Regulated Entities	NOHC/ Other	Group
Net Assets	247.6	13.9	3.3	264.8	8.1	16.5	24.5	289.4	47.5	336.8
Goodwill & Intangibles	(5.3)	(4.7)	0.0	(10.0)	0.0	(7.7)	(7.7)	(17.7)	(38.3)	(56.0)
Net Tangible Assets	**242.4**	**9.2**	**3.3**	**254.9**	**8.1**	**8.7**	**16.8**	**271.7**	**9.2**	**280.8**
Capital Base Adjustment:										
Deferred Acquisition Costs (DAC)	(186.0)	(0.2)	0.0	(186.2)	0.0	0.0	0.0	(186.2)	0.0	(186.2)
Other Adjustments to Capital Base	(0.4)	(0.1)	(0.0)	(0.4)	(0.1)	(0.0)	(0.1)	(0.5)	(4.3)	(4.8)
Regulatory Capital Base	**56.0**	**9.0**	**3.3**	**68.3**	**8.0**	**8.7**	**16.7**	**85.0**	**4.9**	**89.8**
Prescribed Capital Amount	(5.8)	(3.5)	(0.7)	(10.0)	(5.0)	(0.7)	(5.7)	(15.7)	(2.3)	(18.0)
Available Enterprise Capital	**50.2**	**5.5**	**2.6**	**58.3**	**3.0**	**8.0**	**11.0**	**69.2**	**2.6**	**71.8**
Internal Benchmarks										
Working Capital	(21.6)	(1.9)	(2.5)	(26.0)	0.0	0.0	0.0	(26.0)	(22.0)	(48.0)
Risk Capital	(22.8)	(3.4)	0.0	(26.1)	(2.1)	(4.7)	(6.8)	(33.0)	(3.7)	(36.7)
Excess/ Deficit over Internal Benchmarks	**5.9**	**0.2**	**0.1**	**6.1**	**0.9**	**3.3**	**4.2**	**10.3**	**(23.1)**	**(12.8)**
Debt Funding Facility	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	45.5	45.5
Net Position After Debt Funding Facility	**5.9**	**0.2**	**0.1**	**6.1**	**0.9**	**3.3**	**4.2**	**10.3**	**22.4**	**32.7**

- Net capital position across the Group after amounts drawn down under the Debt Funding Facility is $32.7m at 30 June 2015.
- The regulated entities have $10.3m of net assets in excess of their internal benchmarks as at 30 June 2015. 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 30 June 2015) include a working capital reserve of $26m 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 30 June 2015) include a further working capital reserve of $22m as at 30 June 2015, therefore totalling $48m 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 30 June 2015

RECONCILIATION OF NET ASSETS TO GROUP CAPITAL POSITION AFTER DEBT FUNDING FACILITY ($M):	Life	Wealth	Advice	Other	Total
Net Assets	**247.6**	**21.9**	**16.5**	**50.7**	**336.8**
- Less Goodwill and Intangible Assets (excl. Capitalised Software)	-	-	(7.7)	(38.3)	(46.0)
- Capital included in VIF	(206.9)	(9.5)	(2.4)	-	(218.8)
Net Worth	**40.7**	**12.4**	**6.3**	**12.5**	**71.9**
- Overhead & New Business Capital	(34.8)	(11.3)	(3.0)	(35.6)	(84.7)
Excess Assets over Internal Benchmarks	**5.9**	**1.1**	**3.3**	**(23.1)**	**(12.8)**
- Debt Funding Facility	-	-	-	45.5	45.5
Net Position After Debt Funding Facility	**5.9**	**1.1**	**3.3**	**22.4**	**32.7**

- 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

Impact of ESP shares

PER SHARE CALCULATIONS

YEAR END JUNE 2015 $M, (UNLESS STATED OTHERWISE)	FY15
Number of shares on issue	524.6m
ESP shares on issue	58.4m
Shares on issue to calculate NAV per share (A)	583.0m
Net assets ($m)	336.8
ESP loans ($m)	36.5
Proforma net assets ($m) (B)	373.3
Fully diluted NAV per share = (B)/(A)	64.0 cents
Underlying NPAT ($m)	20.5
Fully diluted underlying NPAT per share[1]	3.85 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”
- 58.4m Employee Share Plan (ESP) shares on issue and $36.5m loans receivable at 30 June 2015
- Underlying NPAT is the Boards key measure of profitability and the basis on which dividends are determined
- UNPAT of $20.5m, up 4% on FY14; adjusting for the investment in Wealth Management in FY15 and the Matrix acquisition results in an UNPAT of $22.9m, up 17% on FY14

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.

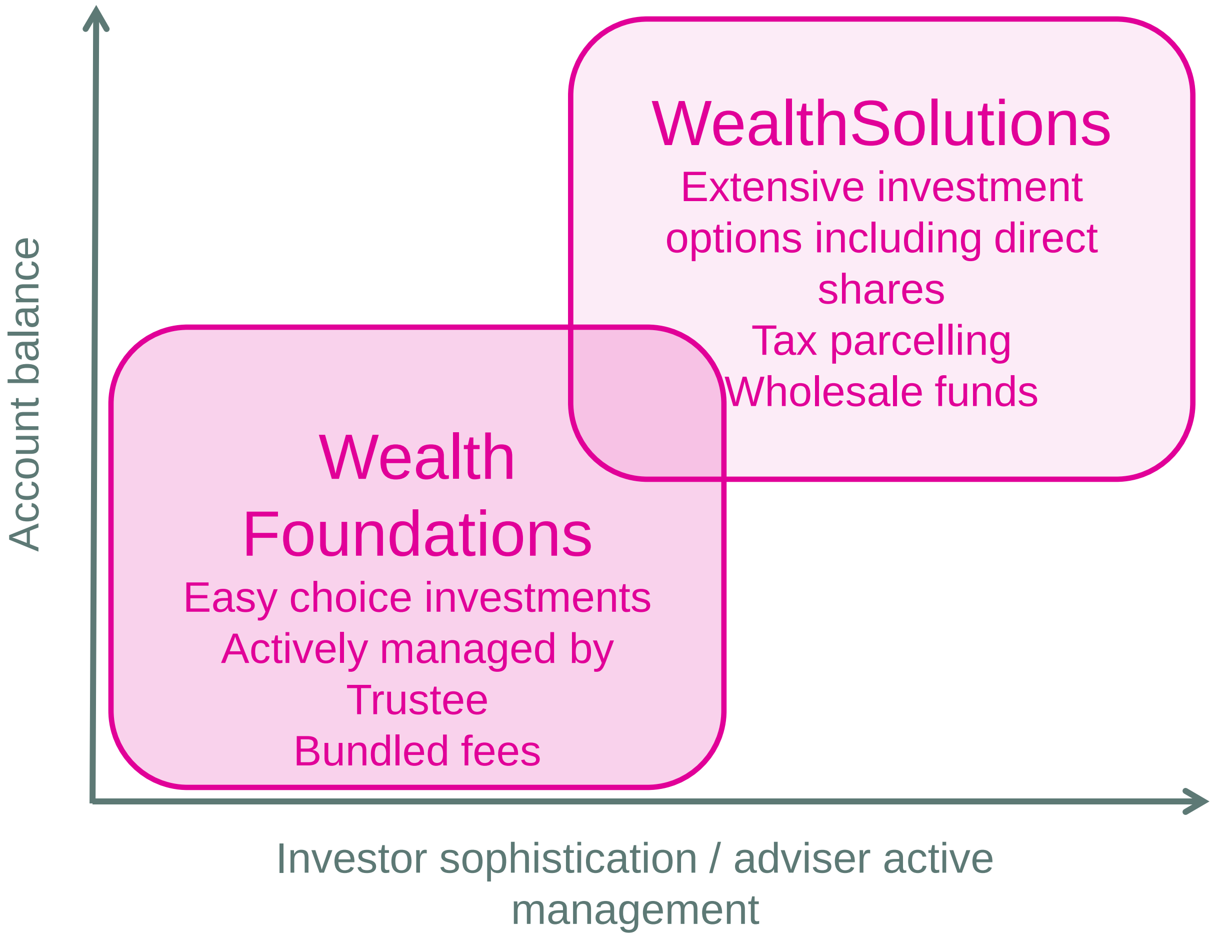
Additional Information

Proposed life insurance reforms

Retail Life Industry Proposal	Observations	ClearView Impact	Industry Impact
Adviser remuneration arrangements • Limits on upfront remuneration arrangements from 1 January 2016 with transitional arrangements; • Maximum upfront commission of 80% from 1 January 2016, reducing to 60% by 1 July 2018; • Maximum ongoing commission of 20% in all subsequent years from 1 January 2016; • Three year clawback of commissions; 100% in Yr 1, 60% in Yr 2 and 30% in Yr 3 • Reviewed by government by end of 2018.	• Impacts on funding of adviser businesses and potentially practice values in near term; • Need to support advisers that have an unaffordable capital strain; • Improves upfront capital strain to life insurer, increased return on equity (albeit potentially lower profit margins); • Unlikely to result in reduced premiums to consumer; • Impacts on direct life insurance unclear	✓ **BUT considering how best to support advisers with unaffordable capital strain**	✓
Quality of advice and insurer practices • 'Open architecture' approach to APLs; shelf space payments to AFSLs to get products on APL also needs consideration/ removal; • Government to consider measures to widen APLs by 1 July 2016; • Life Insurance Code of Conduct to be developed by 1 July 2016; best practice standards for insurers.	• APLs can be limited to a small number of products; • Opening of APLs and removal of shelf space fees maximises choice available to clients; best interest duty; • Vertically integrated providers should be required to have 100% open APLs to remove potential conflicts of interests	✓✓✓	+/–
Licensee (AFSLs) remuneration arrangements • Volume based payments/ rebates (also linked to lapse/ persistency bonuses) to be banned from 1 July 2016; • Appropriate grandfathering to be consistent with FOFA laws.	• Removal of these payments coupled with the adverse impacts on dealer splits from reduction in upfront commissions impacts on the financial viability of dealer groups and ability to provide support services	✓	+/–
Enforcement, Monitoring and Efficiency • Ongoing reporting of policy replacement data to ASIC from 1 January 2016; • ASIC review of SOAs to make disclosure simpler and more effective; • Rationalisation of legacy products consistent with FSI recommendation.	• Complexity in simplifying SOAs given increased compliance obligations (best interests duty etc); • Legacy products can include complex guarantees; historical product designs did not allow flexibility in products	✓	✓

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

Wealth Products: WealthSolutions and WealthFoundations



Third phase of "J Curve" investment was in Wealth Management in FY15 ($3.2m UNPAT negative impact); this includes the build out of a new compliant, scalable and functional wealth platform, the launch of WealthFoundations in 1H FY15 and costs incurred/provisioned for the subsequent migration of the Master Trust product onto the new platform over time.

Our Appeal to the Independent Financial Advisers (IFA)

Life Advice Offer	Wealth Advice Offer
1. Compelling product offer (top quartile rated by research houses); 2. Non-institutionally owned, leading advocate for the IFA; 3. Stability of pricing, single pricing series (lack of legacy issues); 4. Protected income on commissions; 5. Agile - ability to respond quickly to change; 6. Accessible Senior Management Team and Board	1. Competitively priced and featured product; 2. Experienced in-house research team providing unbiased implemented models and research; 3. Non-institutionally owned; 4. In-house business implementation, support and training; 5. Agile - ability to respond quickly to change; 6. Accessible Senior Management Team and Board

Key offering relates to product and service underpinned by strong relationship management

IFA Growth Opportunities

Life Advice Distribution	Wealth Advice Distribution
1. Expand on current distribution opportunities in the IFA segment 2. Potential open architecture of Life APL's for all licensees (Life Industry reform) 3. Opportunity to become preferred retail life manufacturer by streamlining our offering and hence increasing profit margin of IFA's	1. Convergence of Life and Superannuation has opened new distribution opportunities with WealthFoundations 2. Leverage off current Life Advice distribution relationships 3. Wealth product design has ensured efficiency and profitability for the IFA

As a non-bank aligned, Australian-owned life insurer with life and wealth licences, ClearView is a differentiated business that remains well positioned to take advantage of market opportunities and the convergence of life insurance and superannuation.

Glossary

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
LifeSolutions	A suite of life insurance cover types available via financial advisers which include Life, TPD, Trauma, Income Protection and Business Expense Cover. Fully underwritten product.
PUA	Premiums Under Advice that are externally managed and administered (Third Party Products)
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