Simon Swanson – Managing Director
Athol Chiert – Chief Financial Officer

ClearView Results
Year ended 30 June 2017

ClearView

Disclaimer

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Section 1

FY17 Results summary

Executive summary

Commentary

- ✓ **Double digit growth in Underlying NPAT**[1] up 12% to $30.4m for FY17; reflects **robust earnings growth** across three business segments and support for products and services
- ✓ The **underlying performance of the business remains strong** with:
  - ✓ **Life Insurance in-force premium growth of 26%**, material increases in sales of the flagship LifeSolutions product of 16%
  - ✓ IFA[5] channel represents 72% of LifeSolutions sales which is now placed on **343 non-aligned APLs**[7]
  - ✓ Positive wealth net flow business with **$353m flowing into contemporary products**
  - ✓ Number of **wealth management APLs**[7] **increased to 30** by leveraging the Advised Life Insurance distribution network
  - ✓ A range of ClearView model portfolios and funds placed on external platforms with scope to expand product suite to further support advisers
  - ✓ Matrix named **2017 Licensee of the Year** by CoreData
- ✓ Life Insurance segment earnings **up 2% to $24.9m compared to expected growth of 24%**[2] reflective of **key Board decisions to support longer-term strategy**:
  - ✓ Adoption of an **enhanced and strengthened actuarial claims reserving basis** on income protection portfolio in FY17 (-$2.6m impact[3])
  - ✓ Income protection (IP) **price increases of 10% on average**, following market price increases, implemented to improve longer term profitability. In short-term has caused some **elevated lapses** (-$1.1m impact[4]) on IP portfolio in FY17
  - ✓ Lower-than-expected growth attributable to adverse impact on FY17 Underlying NPAT from the abovementioned prudent decisions taken for the long term benefit of the business. The expected growth of 24%[2] would have been broadly in line with FY17 inforce premium growth
  - ✓ **Exit of non-advice life business** following strategic review (closure provision of $2.4m in FY17 with non-material financial impact on Underlying NPAT or Embedded Value)
- ✓ Wealth Management segment earnings **up 44% to $3.9m reflecting the emergence of earnings growth**; 17% increase in FUM[6] and top quartile investment performance of underlying model portfolios[8]
- ✓ Financial Advice segment earnings **up 47% to $2.2m**. Focus remains on building a high quality financial advice business
- ✓ **Ongoing positive collaboration with Sony Life Insurance Co., Ltd. (Sony Life)** to drive efficiency and growth

Notes

1. Underlying NPAT 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. Expected Underlying NPAT of $29.3m (+24% FY16 to FY17) reflects expected profit margins on in-force portfolios based on actuarial assumptions.
3. Enhancement in estimate in relation to claims in the course of payment pre 30 June 2016.
4. Reflects actual IP adverse lapse experience in FY17.
5. IFAs are independent financial advisers that write ClearView products that are placed on third party dealer group approved product lists.
6. FUM includes Funds Under Management (ClearView Master Trust, WealthFoundations and ClearView Managed Investment Schemes), Funds Under Administration on WealthSolutions and FUM in ClearView MIS platform funds on external platforms.
7. APLs are where ClearView products that are placed on third party dealer group approved product lists.
8. Based on ClearView Dynamic model portfolios over 2 and 3 year periods.

FY17 Results summary

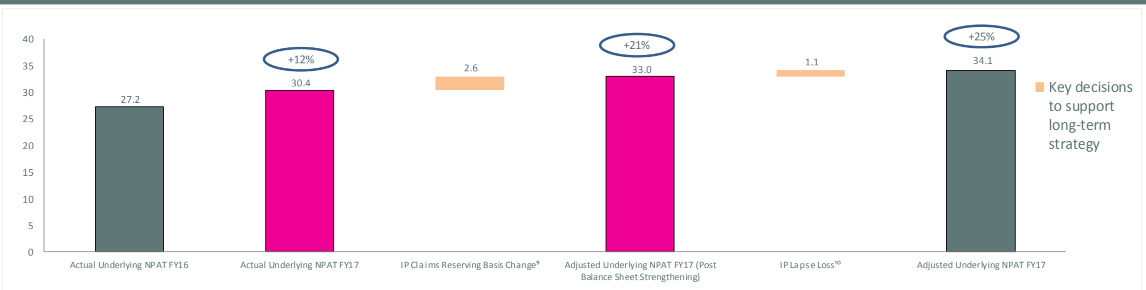
Commentary

- **FY17 Underlying NPAT[3] ($30.4m, +12%)** ClearView continues to **deliver strong, profitable and sustainable growth**: remains on track to achieve near and medium-term strategic goals.
- **Life Insurance Underlying NPAT ($24.9m, +2%)** continues to be main profit driver:
  - Adversely impacted in short-term by key Board decisions to support longer-term strategy
  - In-force book growth of 26% driven by growth in sales of flagship advised product (+16%)
  - Broader distribution network leading to diversified sales profile and creation of material embedded growth, with LifeSolutions currently on 343 non-aligned APLs[7]
- **Wealth Management Underlying NPAT ($3.9m, +44%)** - growth in earnings now emerging following recently-completed 'build phase'
  - 17% increase in FUM[6] and top quartile investment performance of underlying model portfolios
  - Positive wealth net flow business with $353m flowing into contemporary products
  - Number of wealth management APLs[7] increased to 30 by leveraging the Advised Life Insurance distribution network
- **Financial Advice Underlying NPAT ($2.2m, +47%).** Focus remains on building a high quality financial advice business.
- **Key decisions to support longer-term strategy include**:
  - IP[8] price increases to improve longer term product profitability
  - Adoption of an enhanced and strengthened actuarial claims reserving basis on IP[8] portfolio
  - Closure of Direct (Non-Advice) business after comprehensive review of business and market

Overview

	FY17 $M	FY16 $M	% Change[1]
Life Insurance	24.9	24.5	2% ↑
Wealth Management	3.9	2.7	44% ↑
Financial Advice	2.2	1.5	47% ↑
Listed entity and other	(0.7)	(1.5)	53% ↑
Underlying NPAT[3]	**30.4**	**27.2**	**12%** ↑
Other adjustments[12]	(17.2)	(3.6)	Large ↓
Reported NPAT[5]	**13.2**	**23.6**	**(44%)** ↓
Embedded value[2]	661.9	624.1	8% ↑
Net asset value[4]	415.6	411.8	4% ↑
Underlying diluted EPS (cps)[13]	4.88	4.92	(1%) ↓
DPS (cps)[11]	2.75	2.50	10% ↑

Underlying NPAT growth impacted by enhanced actuarial IP claims reserving basis and lapse experience on IP portfolio following price increases to improve long-term profitability.



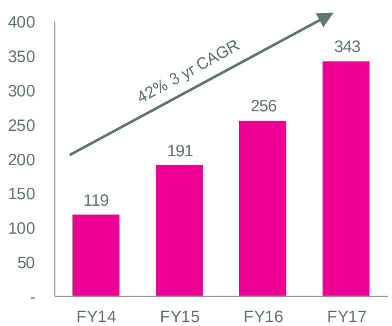
Notes

1. % movement, FY16 to FY17 unless otherwise stated.
2. Embedded Value at 4% discount rate margin, including a value for future franking credits, accrued franking credits and Employee Share Plan (ESP) loans; % movement FY16 to FY17 adjusted for the FY16 cash dividend paid of $16.5m in September 2016 less ESP related items ($6.2m).
3. Underlying NPAT 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.
4. Net Asset Value as at 30 June 2017 excluding ESP Loans; % increase adjusted for the FY16 cash dividend paid of $16.5m in September 2016 less ESP related items ($6.2m).
5. Reported NPAT of $13.2m, down 46%, impacted by changes in long term discount rates used to determine the insurance policy liabilities ($13.7m 'swing' between periods); represents a non-cash timing difference in the release of profit over time and has no impact on underlying earnings.
6. FUM includes Funds Under Management (ClearView Master Trust, WealthFoundations and ClearView Managed Investment Schemes), Funds Under Administration on WealthSolutions and FUM in ClearView MIS platform funds on external platforms.
7. APLs are where ClearView products that are placed on third party dealer group approved product lists.
8. Income protection policies.
9. Enhancement in estimate in relation to IP claims in the course of payment pre 30 June 2016.
10. Lapse loss on IP portfolio in FY17.
11. DPS is dividend per share
12. Other adjustments includes non-cash amortisation, costs considered unusual to normal activities (includes $2.4m Direct closure provision) and changes in long term discount rates used to determine the insurance policy liabilities ($13.7m 'swing' between periods).
13. Impacted by the effect of 59m shares issued in June 2016 as part of $50m Entitlement Offer.

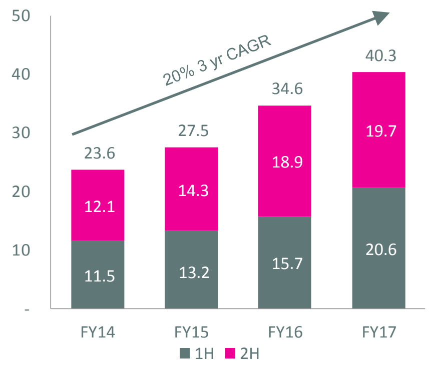
FY17 Results summary continued…

Independent Financial Adviser (IFA) market the main distribution channel for life insurance, leading to diversified sales profile and creation of material embedded growth. IFA channel behind strong flows into contemporary life product. Wealth starting to expand beyond aligned groups.

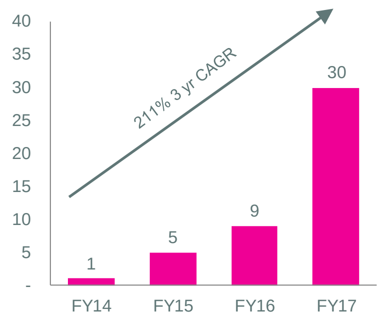
Non-aligned advisers – Life (# of Active APLs with ClearView products)



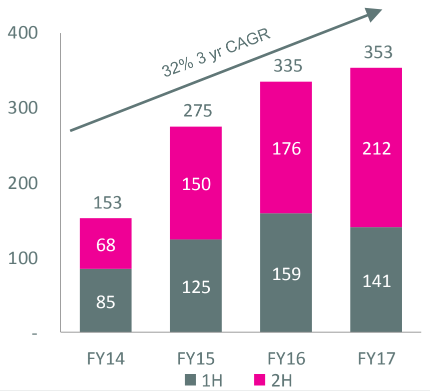
Life Insurance contemporary new business[5] ($M)



Non-aligned advisers – Wealth (# of Active APLs with ClearView products)

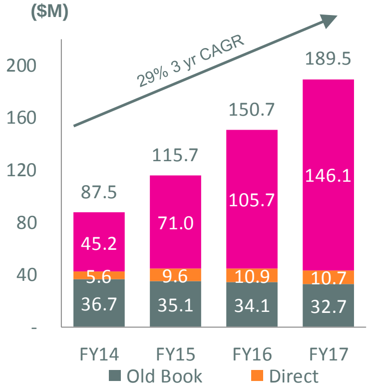


Wealth Management contemporary net flows[4] ($M)

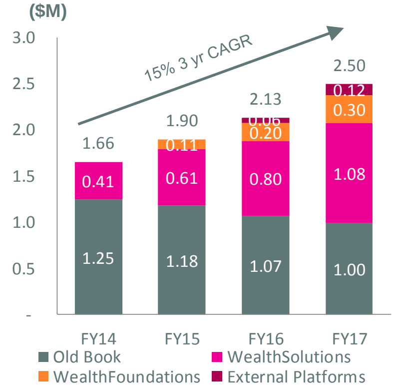


Material growth in in-force premiums and FUM driving Underlying NPAT and Embedded Value (EV) growth

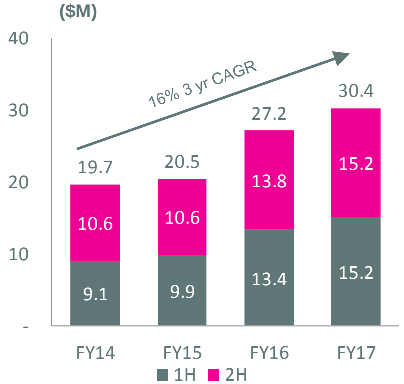
Life Insurance Inforce Premium[3] ($M)



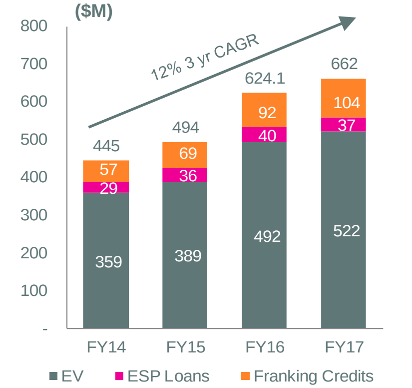
Wealth Management FUM[2] ($M)



Underlying NPAT[1] ($M)



Embedded Value[6] ($M)



Notes

1. Underlying NPAT 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. FUM includes Funds Under Management (ClearView Master Trust, WealthFoundations and ClearView Managed Investment Schemes), Funds Under Administration on WealthSolutions and FUM in ClearView MIS platform funds on external platforms.
3. In-force premium is defined as annualised premium in-force at the balance date.
4. Wealth Contemporary Product Net Flows is defined as inflows less redemptions into FUM but excludes management fees outflow and ClearView Master Trust product net flows given that the product is not marketed to new customers.
5. Life Insurance contemporary new business or sales represents the amount of new LifeSolutions annual written premium sold during the period, net of policies cancelled from inception and excludes age based/ CPI increases.
6. Embedded Value at 4% discount rate margin, including a value for future franking credits, accrued franking credits and ESP loans; % movement FY16 to FY17 adjusted for the FY16 cash dividend paid of $16.5m in September 2016 less ESP related items ($6.2m).

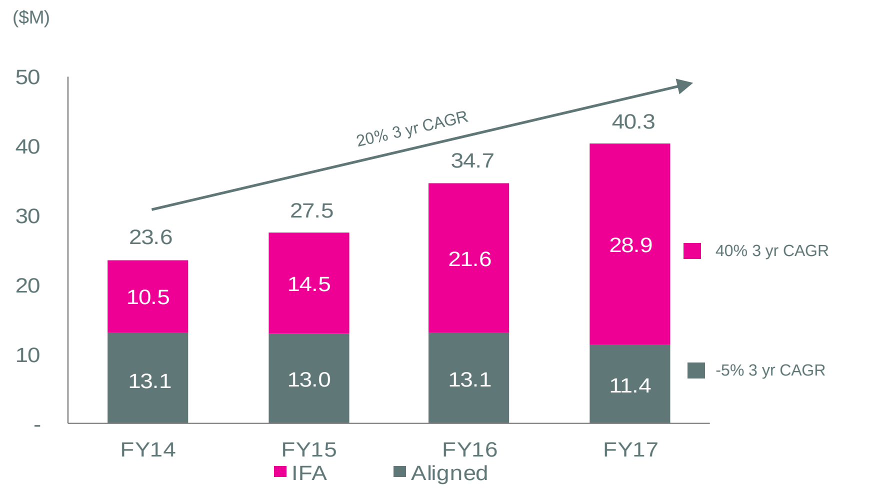
Section 2

Market positioning

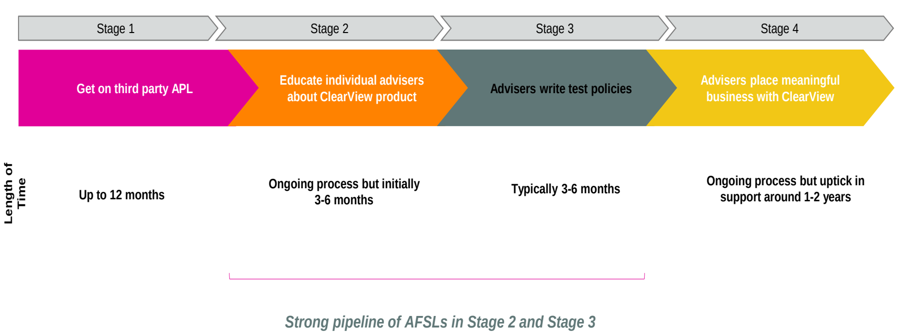
ClearView's position in Advised Life Insurance

Material growth embedded in diversified distribution network. Growth in Underlying NPAT and Embedded Value underpinned by strong growth in LifeSolutions sales and increasing in-force base

LifeSolutions sales by channel[1]



Embedded growth in new APLs but realising potential takes time



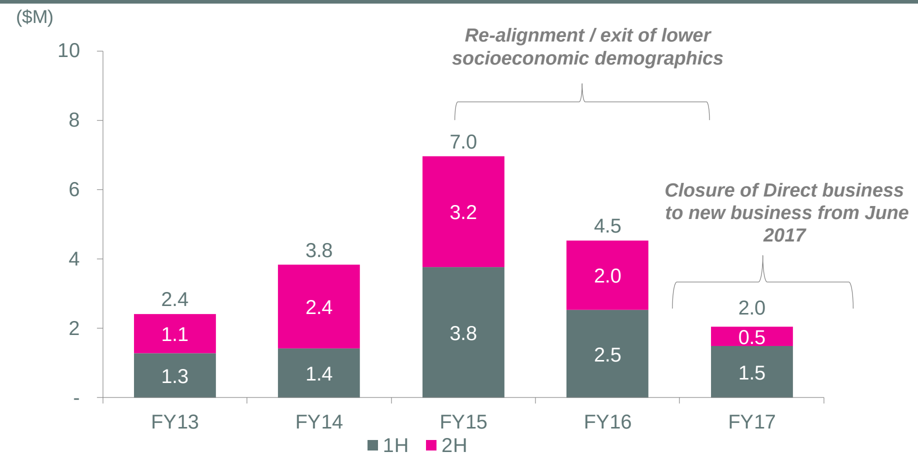
- Strategy is focused on expanding the IFA distribution footprint by building **relationships with new advisers** and delivering **superior products and exceptional service.**
- IFA market **generating strong sales growth (+34% to $28.9m),** accounting for 72% of LifeSolutions sales in FY17.
- **Aligned dealer groups remain important**. The market is still dominated by institutionally-owned AFSLs with limited APLs. ClearView's strategy includes recruiting quality advisers to the aligned dealer groups and earning the right for LifeSolutions to be sold to clients.
- Consistent **market outperformance** in Advised market (new business **+16% to $40.3m**).
- Sharp focus on gaining access to **new APLs** and **increasing penetration of existing APLs** to gain a greater wallet share, especially where LifeSolutions has been on an APL for over 12 months.
- Potential for significant organic growth from the **maturation of relatively new APLs** and **access to new APLs.** Political pressure on AFSLs to **open up life insurance APLs** is increasing. ClearView continues to lobby for reforms to increase competition and open life insurance APLs.
- **Incremental investment** focused on upgrading 'front end' technology to make it easier for advisers to do business with ClearView, following product upgrade in October 2016.

Notes
1. Aligned advisers are licenced by the ClearView Financial Advice Pty Ltd and Matrix Planning Solutions Ltd dealer groups. IFAs are independent financial advisers that write ClearView products that are placed on third party dealer group approved product lists.

Exit from Direct Life Insurance

In FY17, ClearView exited the Non-Advice (Direct) market segment after comprehensive review – improves the focus on core business segments with no material impact on Underlying NPAT or Embedded Value

Non-Advice (Direct) sales



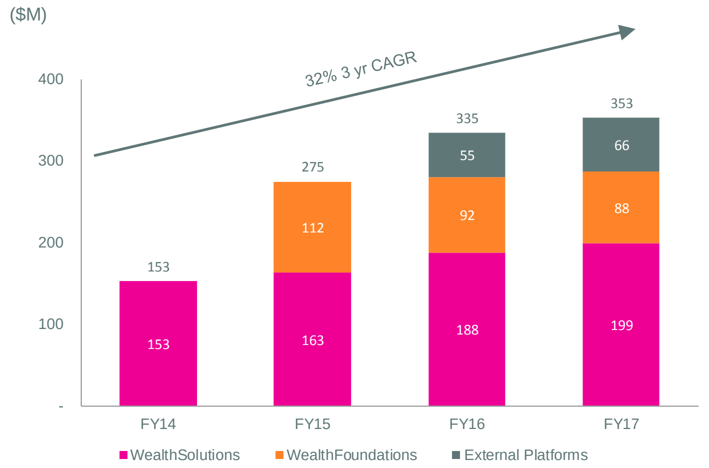
Background

- Historically ClearView has distributed a suite of life insurance products through the Direct (Non-Advice) channel, mainly via an outbound call centre model**:**
  - Deliberately started **exiting the lower socio demographic market from HY15, resulting in reduced sales**
- Key **strategic decisions** in 2H FY17:
  - **Closure of outbound call centre capability** and full exit from lower socio economic lead generation sources
  - **Inbound activity ceased** by 30 June 2017 with in-force book now effectively in run-off
- **Rationale** behind closure of Direct business to new business:
  - **Changes in market's attitude and appetite for telephone based non-advice models** – no longer economically viable or socially acceptable due to increasing client acquisition costs, rising consumer expectations and likely heightened regulatory scrutiny
  - **Immaterial contribution** to group but with considerable future investment required to continue business line
  - **Improves focus on ClearView's three core segments: Advised Life Insurance, Wealth Management and Financial Advice**
- Closure costs provision of $2.4m (after tax) booked at 30 June 2017

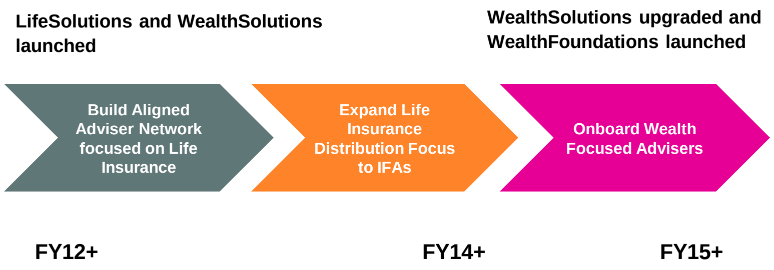
ClearView's position in Wealth Management

ClearView is gaining traction in Wealth Management. Focus on wealth began in FY15, having established a foundation in the Advised Life Insurance market. Strong investment performance.

Wealth Management net flows by product[1]



Wealth Management journey



Observations

- **Significant investment in wealth kicked off in FY15** including:
  - Wealth-focused advisers recruited into the dealer group
  - Matrix Planning Solutions acquired in October 2014 to accelerate this process
  - New contemporary platform introduced in FY15 with ongoing investment and refinement
- **Growth in earnings now emerging** notwithstanding wealth is the least mature segment (given the initial focus on life insurance):
  - **Positive wealth net flow business with $353m (+5%) flowing into contemporary products**, following recently-completed 'build phase'
  - **17% increase in FUM** balances to $2.5bn
  - **Number of wealth management APLs increased to 30** by leveraging the Advised Life Insurance distribution network
  - A **range of ClearView model portfolios and funds placed on external platforms** with scope to expand product suite to further support advisers
  - Top quartile investment performance[3] across ClearView model portfolios
- **Building out of Wealth Management business to capitalise on material investment**
  - Further **incremental investment in new contemporary platform** to round out product and improve back office efficiency and automation. Master Trust business to be migrated onto new platform
  - Capitalising on the **convergence of life insurance and wealth by providing and developing products that improves adviser efficiency and customer experience**

Notes

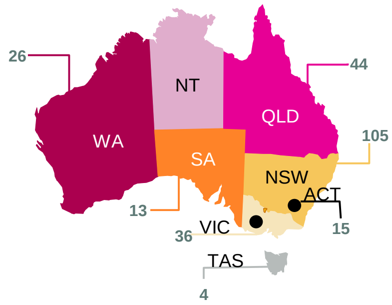
1. Wealth Contemporary Product Net Flows is defined as inflows less redemptions into FUM[2] but excludes management fees outflow and ClearView Master Trust product net flows given that the product is not marketed to new customers.
2. FUM includes Funds Under Management (ClearView Master Trust, WealthFoundations and ClearView Managed Investment Schemes), Funds Under Administration on WealthSolutions and FUM in ClearView MIS platform funds on external platforms.
3. Based on ClearView Dynamic model portfolios over 2 and 3 year periods.

ClearView's position in Financial Advice

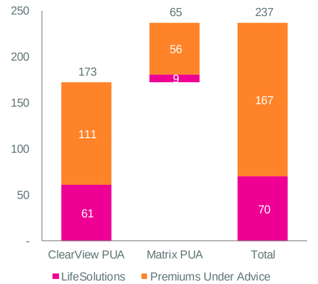
ClearView is focused on building a high quality aligned advice business that provides superior dealer services to advisers

A national network of professional advisers

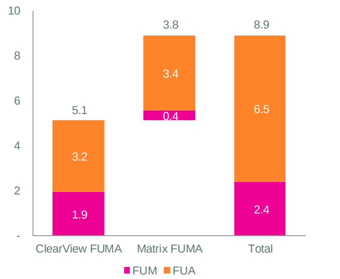
Aligned network (Advisers #)



Premiums Under Advice ($m)



Funds Under Management and Advice ($bn)



Observations

- ClearView has two well-recognised dealer groups: ClearView Financial Advice and Matrix Planning Solutions
  - Initially built aligned planner network from FY11 to FY13 to recruit **Life Insurance focused advisers**
  - In FY14 and FY15, shifted focused to holistic advisers who also provided advice on Wealth Management. **Key driver behind Matrix acquisition**
  - Aligned network instrumental in ClearView's growth and development. Recruitment strategy is focused on **quality not quantity. No ambitions to be the biggest.**
  - **Aligned network initially built because** ClearView (manufacturer) was excluded from the large institutional APLs due to their closed APLs and ClearView's refusal to pay shelf space fees. ClearView has limited access to vertically-integrated institutional APLs.
- In FY17, ClearView began work on a Strategic Advice program, designed to help practices develop and **implement a holistic advice proposition** that looks after a client's total financial needs.
  - The **Strategic Advice program is designed** to help practices develop and implement a future-proof advice proposition, satisfy regulatory obligations and increase their revenue
- Matrix was named **2017 Licensee of the Year** by global independent research house CoreData
- Aligned network primarily consists of **self-employed advisers** - ClearView and Matrix's AFSLs have a total of **243 financial advisers, ~A$8.9B of FUMA (1) and ~A$237M of PUA (2)**

Notes

1. FUMA includes FUM and funds under advice that are externally managed and administered.
2. Premiums Under Advice is life insurance in-force premium that are externally managed and administered (Third Party Products) and in-force LifeSolutions premium.

Section 3

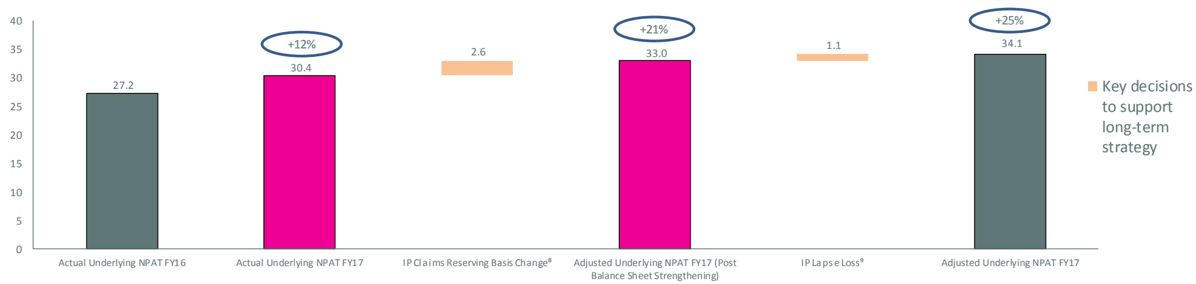
FY17 Results

FY17 Summary financials

FY17 Results - Underlying NPAT[1] of $30.4m (+12%)

- ✓ **FY17 Underlying NPAT ($30.4m, +12%)** - ClearView continues to **deliver strong, profitable and sustainable growth**: remains on track to achieve near and medium-term strategic goals
- ✓ **Adjusted FY17 Underlying NPAT ($34.1m, +25%) –** Removing the impact of enhanced actuarial IP claims reserving basis (-$2.6m[8]) and lapse losses on IP portfolio (-$1.1m). A long-term pricing strategy was implemented to manage IP margins (IP prices increased on average by 10% in 1H FY17) but has caused some short-term elevated lapses
- ✓ **Growth in Life in-force (+26%) and FUM (+17%)** driven by strong sales of contemporary products and the broadening out of distribution footprint to diversify sales and create material embedded growth
- ✓ Other adjustments include **net of tax impact of changes in long-term discount rates** used to determine insurance policy liability (FY17: -$5.9m; FY16: +$7.7m), other costs related to **Sony Life becoming a strategic shareholder** (FY17: -$0.7m) and the provision for closure of **Direct life insurance operation** (FY17:-$2.4m)

Underlying NPAT[1] Performance ($M)



	FY17 $M	FY16 $M	% Change[6]
Life Insurance	24.9	24.5	2%
Wealth Management	3.9	2.7	44%
Financial Advice	2.2	1.5	47%
Listed entity and other	(0.7)	(1.5)	53%
Underlying NPAT[1]	**30.4**	**27.2**	**12%**
Other adjustments	(9.0)	5.5	Large
NPATA[4]	**21.4**	**32.7**	**(36%)**
Amortisation[5]	(8.2)	(9.1)	10%
Reported NPAT	**13.2**	**23.6**	**(44%)**
Embedded Value[2]	661.9	624.1	8%
Value of new Business[2]	16.7	19.0	12%
Net asset value[3]	415.6	411.8	4%
Reported diluted EPS (cps)	2.11	4.27	(51%)
Underlying diluted EPS (cps) [7]	4.88	4.92	(1%)
DPS (cps) [10]	2.75	2.50	10%

Notes

1. Underlying NPAT consists of consolidated net 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. Embedded Value (EV) and Value of New Business (VNB) at 4% discount rate margin. EV includes a value for future franking credits, accrued franking credits and ESP loans; EV % movement FY16 to FY17 adjusted for the FY16 cash dividend paid of $16.5m in September 2016 less ESP related items ($6.2m).
3. Net Asset Value as at 30 June 2017 excluding ESP Loans; % increase adjusted for the FY16 cash dividend paid of $16.5m in September 2016 less ESP related items ($6.2m).
4. NPATA is reported net profit after tax adjusted to exclude the non-cash amortisation of acquired intangibles (not including capitalised software).
5. Amortisation is amortisation of acquired intangibles (not including depreciation and amortisation of software).
6. % movement FY16 to FY17, unless otherwise stated.
7. Impacted by the effect of 59m shares issued in June 2016 as part of $50m Entitlement Offer.
8. Enhancement in estimate in relation to IP claims in the course of payment pre 30 June 2016.
9. Lapse loss on IP portfolio in FY17.
10. DPS is dividend per share

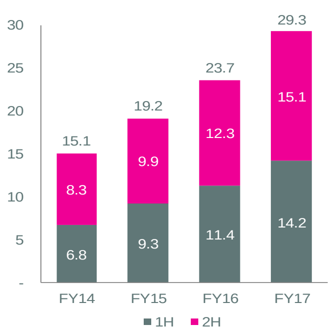
Life Insurance FY17

Underlying NPAT of $24.9m (+2%)[(2),(3)]

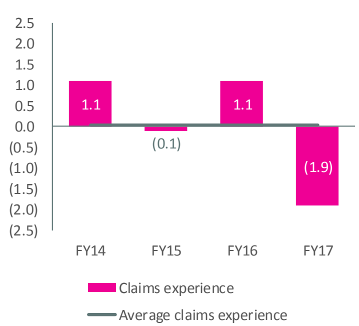
- ✓ **Expected Underlying NPAT**[1] of $29.3m (+24%) reflecting profit margins on in-force portfolios based on actuarial assumptions; broadly in line with FY17 in-force portfolio growth of 26%
- ✓ **Adverse claims experience of -$1.9m** (FY16: +$1.1m) driven by adoption of enhanced and strengthened claims reserving basis on IP portfolio (-$2.6m impact[4]). Claims experience broadly nets out over four year period
- ✓ **Adverse lapse experience of -$2.0m** (FY16: +$0.5m) driven by LifeSolutions portfolio (-$1.6m) and Non-advice (-$0.4m). IP price increases (10% on average) implemented to manage margin over time but caused some short-term elevated lapses ($1.1m lapse loss on IP portfolio)
- ✓ Non-deferred **expense overruns decreased to $0.4m** (FY16: $1.2m) reflecting increased scale of business
- ✓ **Actuarial claims assumptions have been updated** to factor in increased projected cost of IP claims, offset by decrease in projected cost of lump sum claims (overall net immaterial impact on LifeSolutions portfolio as a whole)

Performance

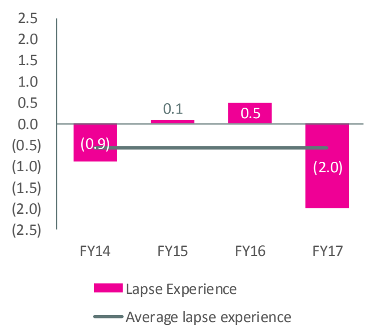
Expected Life Insurance Underlying NPAT¹ ($m)



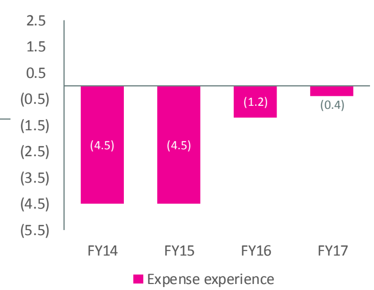
Claims experience ($m)



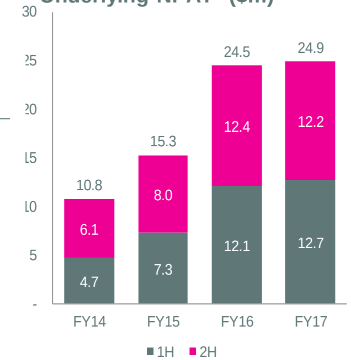
Lapse experience ($m)



Expense experience⁽⁵⁾ ($m)



Actual Life Insurance Underlying NPAT² ($m)



Notes

1. Expected Life Insurance Underlying NPAT of $29.3m (+24% FY16 to FY17) reflects expected profit margins on in-force portfolios based on actuarial assumptions.
2. Life Insurance Underlying NPAT 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.
3. % movement, FY16 to FY17 unless otherwise stated.
4. Enhancement in estimate in relation to IP claims in the course of payment pre 30 June 2016.
5. Non deferred expenses.

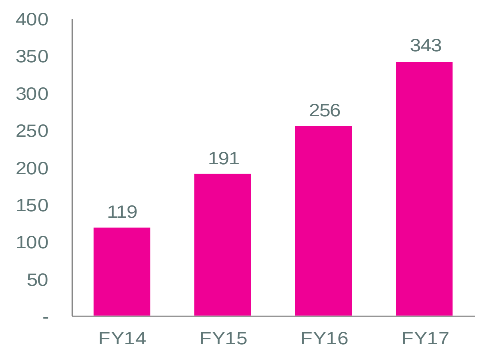
Life Insurance FY17 continued…

Consistent market outperformance in Advised Life Insurance segment (new business +16% to $40.3m)

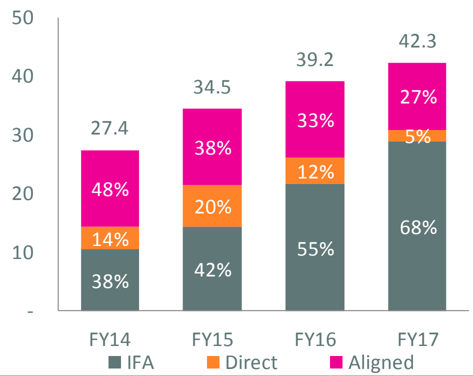
- ✓ ClearView's flagship product is **LifeSolutions**, sold through the aligned and IFA channels
- ✓ Distribution focus has **increasingly shifted to the IFA channel to diversify sales and create material embedded growth**
- ✓ Number of **active APLs increased to 343** (+34%)
- ✓ **New business[1] of $42.3m (+8%)**: LifeSolutions $40.3m (+16%) and Non-Advice (Direct) $2.0m (-56%)
- ✓ **Strong growth and market outperformance in Advised Life Insurance segment** with 68% of total sales generated from IFAs operating under third party APLs (IFA sales +34%)
- ✓ Intentional slow down in Direct sales, followed by **closure of Non-Advice business in FY17**
- ✓ In-force premium[2] of $189.5m (+26%), of which LifeSolutions is $146.1m (+38%)

Performance

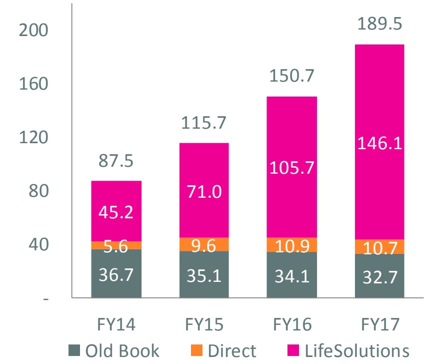
Non-aligned advisers – Life
(# of Active APLs with ClearView Products)



Life new business[1]
($M)



Life in-force premium[2]
($m)



Notes
1. Life insurance new business or sales represents the amount of new annual written premium sold during the period, net of policies cancelled from inception and excludes age based/ CPI increases.
2. In-force premium is defined as annualised premium in-force at the balance date.
3. % movement, FY16 to FY17 unless otherwise stated.

Wealth Management FY17

Underlying NPAT[3] of $3.9m (+44%)[4]

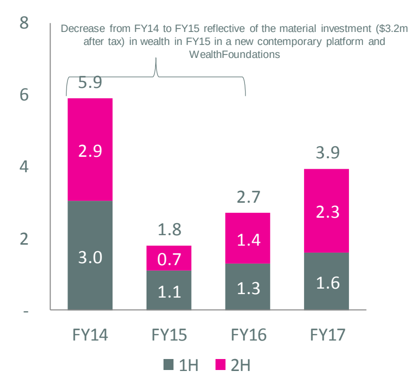
- ✓ Immature segment given **recently completed 'build' phase and material investment in contemporary platform and products** in FY15. Growth in earnings starting to emerge
- ✓ **New products are written at a lower margin** than Master Trust product, resulting in lower fee income growth (+6%) relative to FUM growth (+17%)
- ✓ **Strong expense management** albeit incremental investment in contemporary platform to improve back office efficiency and automation with the commencement of Master Trust migration onto new platform in 2H FY17. Plans underway to round out new product suite
- ✓ Contemporary products continue to build to scale and provide some support to cost base, albeit with lower expense allowances. **Expense overruns decreased to $2.7m** (FY16: $4.0m)

KPI commentary[4]

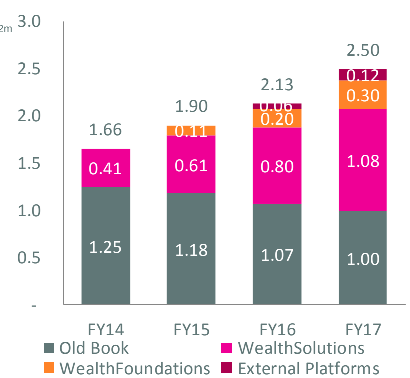
- ✓ Number of active APLs increased to 30 (+233%) but it takes time for new relationships to mature and generate flows
- ✓ In-force FUM[2] of $2.5b (+17%) with **$1.5b in contemporary products**
- ✓ **Positive net flows[1] of $205m (-3%)**: WealthSolutions $199m (+6%), WealthFoundations $88m (-5%), External platforms $66m (+21%) and Master Trust outflows $148m (-21%)
- ✓ **Top quartile investment performance[5]** across ClearView models central to attracting flows. Strong performance also critical to supporting Master Trust FUM given that products are not marketed to new customers
- ✓ ClearView's platform funds and investment models placed on external platforms with the ability to **leverage the Life Insurance distribution network**

Performance

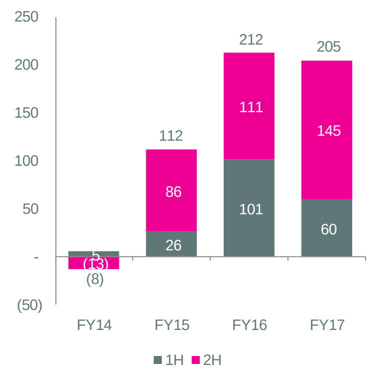
Wealth Underlying NPAT[3] ($m)



Wealth FUM[2] ($bn)



Wealth net flows[1] ($m)



Investment performance ($m)

Clearview IPS Model Performance Quartile Ranking as at June 2017	Quartile Performance		
	1 Year	2 Years	3 Years
Dynamic Moderate 30/70	1st	1st	1st
Dynamic Balanced 50/50	2nd	1st	1st
Dynamic Growth 70/30	2nd	1st	1st
Dynamic Aggressive 85/15	4th	1st	1st

Source: Morningstar Peer Group (5-95%) open funds in multisector Moderate, Balanced, Growth and Aggressive categories IPS models available on the WealthSolutions platform

Notes

1. FUM net flows is defined as inflows less redemptions into FUM but excludes management fees outflow.
2. FUM includes Funds Under Management (ClearView Master Trust, WealthFoundations and ClearView Managed Investment Schemes), Funds Under Administration on WealthSolutions and FUM in ClearView MIS platform funds on external platforms.
3. Wealth Underlying NPAT consists of consolidated net profit after tax adjusted for amortisation (not including capitalised software) and costs considered unusual to the Group's ordinary activities.
4. % movement, FY16 to FY17, unless otherwise stated.
5. Based on ClearView Dynamic model portfolios over 2 and 3 year periods.

Financial Advice FY17

Underlying NPAT[3] of $2.2m (+47%)[4]

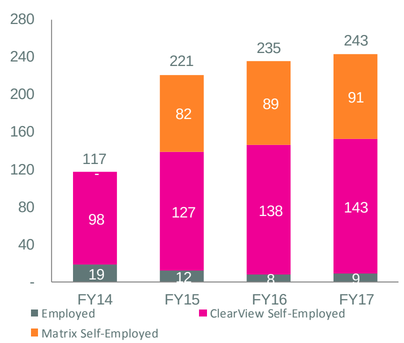
- ✓ **Contribution from change in revenue model:**
  - ✓ Delegate and sponsorship revenue generated from annual dealer group conference
  - ✓ Dealer service fees and membership revenue charged to new practices including practices acquired under contractual arrangements
  - ✓ Increased sponsorship revenue from LifeSolutions partially offset by run off of internal advice fee (50bps) earned on Master Trust FUM
- ✓ **Disciplined expense management** notwithstanding investment in strategic advice model, conference and compliance costs

KPI commentary[4]

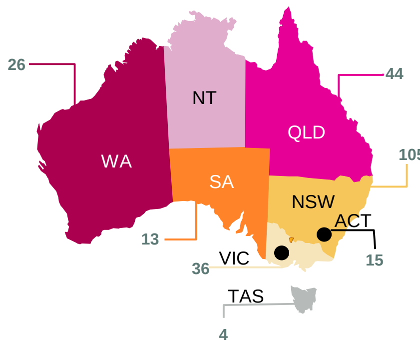
- ✓ **243 financial advisers** operating under CFA and Matrix AFSLs (+3%)
- ✓ Reduction in employed advisers over time coinciding with focus on recruiting self-employed advisers
- ✓ **$8.9B of FUMA[1]** of which $2.4B is in ClearView wealth products
- ✓ **$237M of PUA[2]** of which $70m is in LifeSolutions
- ✓ FUMA and PUA growth reflecting net impact of change in adviser mix coupled with market movement for FUMA
- ✓ Continued focus on **selective recruitment of high quality advisers** with the right cultural fit for ClearView and Matrix

Performance

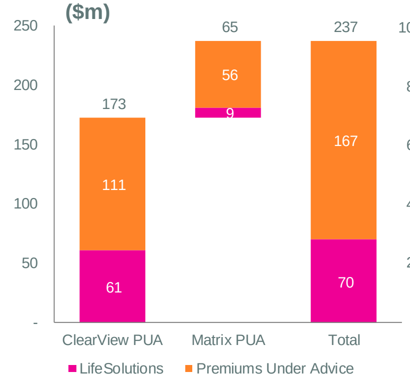
Aligned advisers (#)



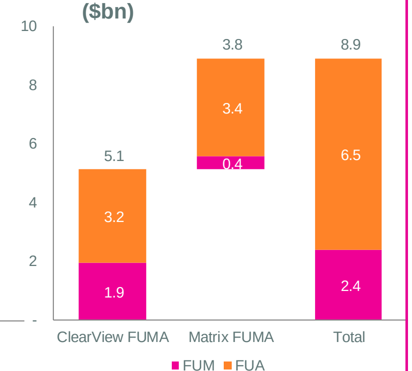
Geographical composition of advisers (#)



Premiums Under Advice[2] ($m)



FUMA[1] ($bn)



Notes

1. FUMA includes FUM and funds under advice that are externally managed and administered.
2. Premiums Under Advice is life insurance in-force premium that are externally managed and administered (Third Party Products) and in-force LifeSolutions premium.
3. Financial Advice Underlying NPAT consists of consolidated net profit after tax adjusted for amortisation (not including capitalised software) and costs considered unusual to the Group's ordinary activities.
4. % movement, FY16 to FY17, unless otherwise stated.

Balance sheet as at 30 June 2017

Commentary

Net asset position and capital position

- Net assets (pre-ESP loans) of $415.6m at 30 June 2017
- Net tangible assets (pre-ESP loans) of $371.0m at 30 June 2017
- $50m capital raised in June 2016
  - Fully underwritten entitlement offer with proceeds used predominantly to repay debt ($45.5m)
  - Cash FY16 fully franked dividend (no DRP) paid in September 2016 (-$16.5m)
- Group capital surplus position of $12.9m at 30 June 2017
  - Internal benchmarks include $17m working capital reserve to fund new business growth

Cash, debt and investments

- Net cash position of $156.3m
  - Shareholder capital continues to be conservatively invested (in cash and short-term interest bearing securities)

Goodwill and intangibles

- Goodwill of $21m arising on acquisition of dealer groups(2)
- Intangibles of $24.2m:
  - $13.8m of capitalised software costs associated with life insurance systems development and the contemporary wealth platform
  - $10.4m of acquired Intangibles recognised on the acquisition of Bupa financial services business and dealer groups(2)

Provisions

- Increase related to the Direct closure provision

Life Insurance policy liabilities[3]

- Life insurance policy liability increase reflecting growth in the life insurance business (DAC), partially offset by run-off of the in-force DAC and interest rate effects (increase) over time

Consolidated balance sheet (shareholder view)(1)

$M	Jun-17	Jun-16	Jun-15
ASSETS			
Cash equivalents	156.3	169.9	181.1
Receivables	22.0	12.5	10.0
Current tax asset	-	0.6	-
Deferred tax asset	3.9	4.1	4.4
Property, Plant & Equipment	1.4	1.8	1.2
Convertible Note	-	-	1.7
Goodwill(2)	20.5	20.0	20.0
Intangibles	24.2	28.4	36.0
Total Assets	**228.3**	**237.3**	**254.4**
LIABILITIES			
Payables	26.6	23.5	16.6
Current tax	0.6	-	4.5
Provisions	8.5	5.2	5.4
Life Insurance(3)	(223.0)	(203.1)	(154.4)
Borrowings	-	-	45.5
Total Liabilities	**(187.3)**	**(174.4)**	**(82.4)**
Net Assets	**415.6**	**411.7**	**336.8**

Notes

1. Shareholder view excludes the life investment contracts (i.e., unit linked business), deconsolidated retail unit trusts and reflects fees earned by the shareholder less expenses incurred.
2. Includes the acquisition of Harris Financial Enterprises adviser practice in FY17 under pre existing contractual arrangements. Dealer groups include ComCorp acquisition in FY10 and Matrix in FY15.
3. Life Insurance asset reflects insurance liabilities net of the future recoverability of the deferred acquisition cost (DAC) in accordance with the accounting standards.

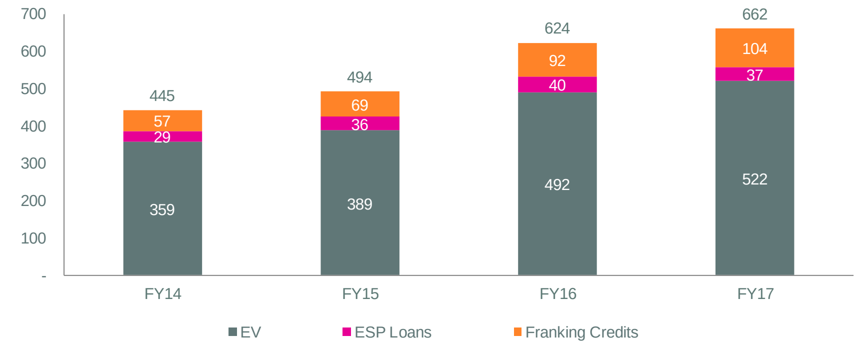
Embedded Value as at 30 June 2017

Embedded Value (EV) commentary

- **EV of $661.9m[1]** at 30 June 2017 including franking credits and ESP Loans (+8%[1])
- **EV per share of $1.01[1]** at 30 June 2017 including franking credits and ESP Loans
- EV is **made up of the value of the in-force (VIF) and the net worth**:
  - EV is the **value of all business written to date** determined by actuarial assumptions and modelling
  - EV is **based only on in-force portfolios** as at 30 June 2017 excluding the value of any future growth potential
  - The maintenance expense rates are based on longer term unit costs as opposed to current “expense overrun” levels
  - EV **includes a value of future franking credits at 70%** of their present value. This also includes a value of existing accrued franking credits at 30 June 2017 ($19.3m)
  - EV **includes updated assumptions.** Claims assumptions have been updated to reflect increased projected cost of IP claims, offset by decrease in projected cost of lump sum claims. LifeSolutions lapse assumptions were reshaped to better reflect actual and expected experience (**overall net immaterial impact**)
- EVs have been **presented at different ‘discount margin’ rates** over the assumed long-term risk free rate reflected within the underlying cash flows valued:
  - “dm” represents the discount rate risk margin which refers to the margin above the assumed long-term risk free rate. The long-term risk free rate adopted for the FY17 EV is 4% (FY16: 4%)
  - A consistent basis for the long-term risk free rate has been adopted between periods notwithstanding fluctuations in the market long-term risk free rate between periods (compared to that adopted)

Embedded Value calculations

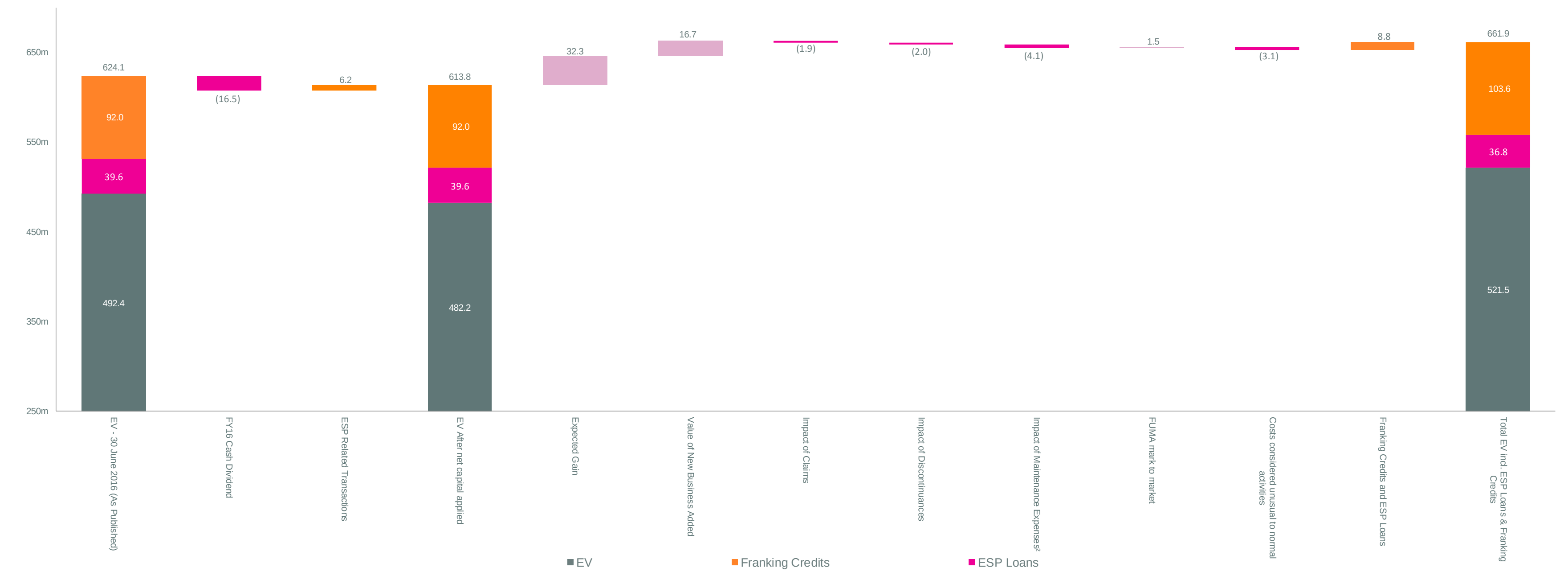
Risk Margin Over Risk Free Rate: ($M), (Unless Stated Otherwise)	3% DM	4% DM	5% DM
Life Insurance	390.6	367.6	347.2
Wealth Management	63.1	59.8	56.8
Financial Advice	28.1	26.4	24.9
Value of In-Force (VIF)	**481.8**	**453.8**	**428.8**
Net Worth	67.8	67.8	67.8
Total EV	**549.6**	**521.5**	**496.6**
ESP Loans	36.8	36.8	36.8
Total EV Incl. ESP Loans	**586.3**	**558.3**	**533.4**
Franking Credits:			
Life Insurance	64.7	60.8	57.3
Wealth Management	16.8	15.9	15.1
Financial Advice	8.0	7.6	7.1
Net Worth	19.3	19.3	19.3
Total EV Incl. Franking Credits and ESP Loans	**695.2**	**661.9**	**632.3**
EV per Share Incl. ESP Loans (cents)	**89.1**	**84.8**	**81.0**
EV per Share Incl. Franking Credits and ESP Loans (cents)	**105.6**	**100.6**	**96.1**



Notes

1. Embedded Value at 4% discount rate margin, including a value for future franking credits, accrued franking credits and ESP loans; % movement FY16 to FY17 adjusted for the FY16 cash dividend paid of $16.5m in September 2016 less ESP related items ($6.2m).

Embedded Value movement analysis



Commentary

- Key drivers in EV[1] movement from FY16 to FY17 (+8%):
  - The **impact of the FY16 final cash dividend** given the DRP was not operative (-$16.5m)
  - **Value of new business (VNB) of $16.7m** - LifeSolutions continues to be the key driver given increased scale and volumes (+$17.1m), albeit impacted by the mix of business written (including commission type driven by the upcoming LIF reforms)
  - **Non-Advice drag on VNB in HY17 (-$4.5m)** driven by intentional slowdown and subsequent closure
  - VNB in Life Insurance and Wealth Management is suppressed by the acquisition expense overruns across product lines that 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
  - **EV increased to $661.9m (up 8% on FY16)** including franking credits and ESP loans. Detailed EV movement analysis commentary provided in the Appendix

Notes

1. Embedded Value at 4% discount rate margin, including a value for future franking credits, accrued franking credits and ESP loans; % movement to FY16 adjusted for the FY16 cash dividend paid of $16.5m in September 2016 less ESP related items (-$6.2m).
2. Includes impacts of the Group's listed overhead costs and line fee on corporate debt that is not allowed for in the Embedded Value ($0.9m).

Capital position to support Life Insurance growth

Capital requirements

Minimum regulatory capital (PCA)

1. Capital adequacy requirements of the life company are regulated under APRA Prudential Standards. Other entities also have regulatory requirements (APRA and ASIC)

Additional capital reserves (per ICAAP[1])

2. Risk capital is the risk-based capital amount which aims to address the risk of breaching regulatory capital (PCA)

3. Working capital reserve is capital held to support the capital needs of the business beyond the risk reserving basis. It includes the anticipated net capital required to support the medium-term new business plans (on a three-year forward looking basis)
   - ClearView is writing a significant amount of new business relative to its in-force policies which causes upfront capital strain. This is allowed for via the working capital reserve within ICAAP[(1)] and is reviewed continuously

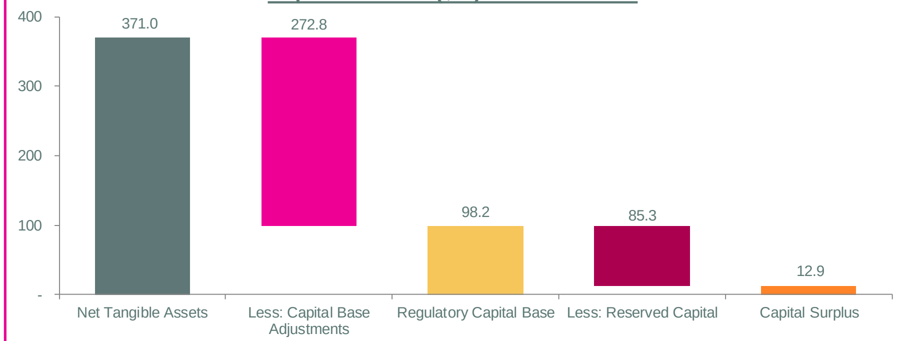
4. Fully capitalised with "Common Equity Tier 1" capital to fund current business plans, anticipated medium-term growth and have some additional capital flexibility over medium term[2].
   - $60m, 3 year debt facility in place to provide further capital support and to meet liquidity needs from time to time

Capital position

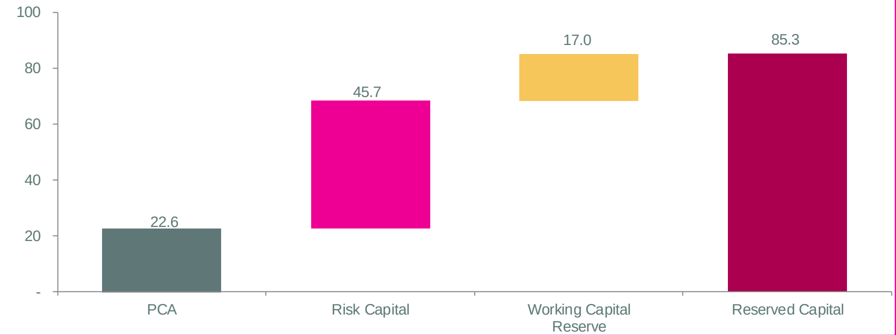
Balance sheet

- Net tangible assets (pre-ESP loans) of $371.0m – capital position reduced by $16m from FY16 cash dividend paid in September 2016 (no DRP)
- $45.5m debt repaid in June 2016 with proceeds from capital raising
- $12.9m of capital above regulatory requirements and risk capital reserves[3]; includes the anticipated net capital required to support the medium-term business plans

Capital Position ($m) – 30 June 2017



Reserved capital ($m) – 30 June 2017



Notes
1. Internal Capital Adequacy Assessment Process
2. Nonetheless, future events including medium to longer term growth materially above that currently anticipated by ClearView could result in a need for future capital funding (in the form of equity and/or debt). A Debt Funding Facility of $60m is in place for a further 3 years – was renewed in July 2017.
3. Capital position stated prior to FY17 final dividend of $18.1m that will operate under a DRP.

Section 4

Strategic shareholding and outlook

Sony Life strategic shareholding

1 Strategic shareholding

- **In October 2016, Sony Life acquired a 14.9% strategic interest in ClearView from Crescent at $1.48 per share[1]**
  - Sony Life Insurance Co., Ltd (Sony Life) became a new strategic shareholder in October 2016 following their agreement with Crescent Capital Partners and its Associates (Crescent) to acquire a 14.9% stake in ClearView

2 About Sony Life

- **Sony Life is wholly-owned by Sony Financial Holdings which is listed on the Tokyo Stock Exchange and its ultimate parent entity is Sony Corporation**
  - Sony Corporation has three main business lines: electronics, entertainment and financial services
  - Sony Financial Holdings was listed on the Tokyo Stock Exchange in 2007 and is 63% owned by Sony Corporation. Sony Financial Holdings comprises of Sony Life, Sony Assurance, Sony Bank and Sony LifeCare
  - Established in 1979, Sony Life entered the Japanese Life Insurance market with the “Lifeplanner” model
  - Sony Life has achieved strong growth in the Japanese market by developing customised life insurance solutions and recruiting qualified sales agents which provide personal consultation based on its “Life Planning” concept

3 Cooperation agreement

- **ClearView and Sony Life entered a mutually-beneficial cooperation agreement in January 2017 to share information and increase co-ordination to drive efficiency and growth**
  - Cooperation agreement defines how Sony Life will support its strategic investment in ClearView and remains in place so long as Sony Life holds at least 10% of the issued share capital
  - ClearView and Sony Life will look to expand ClearView’s IFA footprint, enhance the quality of strategic advice provided by aligned advisers, recruit more advisers to the dealer groups, increase adviser productivity and explore the development and adoption of innovative technology, products and services
  - To facilitate knowledge sharing, two experienced Sony Life employees have been seconded to ClearView since February 2017
  - ClearView also announced the appointment of Mr Satoshi Wakuya from Sony Life as a Non-executive Director to the Board in December 2016

Notes

1. For full terms of the Sony transaction, refer to ASX announcement dated 25 October 2016.

Outlook

1 Market outlook

- Long-term market growth fundamentals remain sound:
  – **Life Insurance:** Australian market is under-insured; growth driven by population increases, inflation and real GDP growth
  – **Wealth Management:** Growth underpinned by compulsory retirement savings regime (superannuation)
- Short-term challenges and opportunities exist:
  – **Group Life Insurance:** ClearView intentionally does not participate in Group Life. The profitability of this segment appears to be improving driven by material price increases in recent years. Such increases have **improved the competitive position of ClearView's retail life products**
  – **Retail Income Protection:** Industry participants have progressively increased prices driven by losses on IP portfolios (should improve profitability of product over time). ClearView increased prices in 1H FY17 (10% on average) **to manage margin over time,** resulting in some short-term elevated lapses. Notwithstanding the adoption of an enhanced claims reserving basis on IP portfolio in FY17, **ClearView's portfolio remains profitable**. Broader industry pricing cycle and performance of IP portfolios continues to being closely monitored
  – **Direct Life Insurance:** There has also been changes in the direct market's appetite for telephone based non-advice models. These are no longer economically viable or socially acceptable due to increasing client acquisition costs, rising consumer expectations and likely heightened regulatory scrutiny. ClearView closed its Direct life operation to new business in 2H FY17
  – **Regulatory changes:** Key life insurance reforms will commence on 1 January 2018. The changes **generally support more open competition** and assist challenger brands like ClearView
  – **M&A activity:** The banks are increasingly focused on returning to core business lines, leading to an emergence of foreign institutions looking to invest in the Australian life insurance industry. This is likely to drive investment in the life insurance sector. **ClearView remains well-positioned with its strategic shareholder, Sony Life**
  – **Superannuation scrutiny:** Heightened government and media scrutiny of the superannuation sector, government policy changes, expected lower investment returns over the short-to-medium term and fee pressure. **ClearView portfolios remain defensively-tilted given near-term economic outlook. As an integrated financial services company, ClearView is well-positioned to take advantage of the convergence of life insurance and wealth management**

2 Business outlook

- **Life Insurance continues to be the key profit driver** and ClearView **remains in a strong position to outperform the market and generate material earnings growth,** notwithstanding some claims volatility between periods. Current focus on:
  – Leveraging the **embedded growth in the Life Insurance distribution network**
  – **Capitalising on market disruption** around life insurance reforms due to the fact ClearView has no material legacy issues
  – **Increasing scale over time** thereby progressively reducing the expenses overruns and further improving the cost-to-income ratio
- Continue to focus on **building its Wealth Management business to capitalise on the significant investment made over the past two years**
- Dealer groups are focused on **rolling out the strategic advice program** and continue to assist adviser practices to improve efficiencies and revenues
- **Leverage the Sony Life relationship** and Cooperation Agreement
- ClearView's performance reflects strong momentum. The Group **maintains a positive outlook** and is committed to executing its high growth strategy targeting 5**% of the long-term life insurance profit pool and building a material wealth management business and high quality financial advice business**

Appendix FY17 Results

ClearView

Consolidated FY17 results: Shareholder view[1]

12 Months to June 2017 ($M)[1]	2014			2015			2016			2017			% Change[2]
	1H	2H	FY14	1H	2H	FY15	1H	2H	FY16	1H	2H	FY17	
Gross life insurance premiums	36.2	40.6	76.8	49.6	55.5	105.1	64.9	73.4	138.3	84.4	93.3	177.7	28%
Fund management fees	15.3	15.1	30.4	15.2	16.1	31.3	15.7	15.4	31.1	16.3	16.5	32.8	6%
Financial advice fees	6.4	6.3	12.7	7.0	8.2	15.2	8.5	8.2	16.7	9.1	8.8	17.9	7%
Interest and other income	1.9	2.4	4.3	2.6	2.5	5.1	2.4	2.3	4.7	2.1	1.5	3.6	(24%)
Gross Income	**59.8**	**64.3**	**124.1**	**74.4**	**82.3**	**156.7**	**91.5**	**99.3**	**190.8**	**111.9**	**120.1**	**232.0**	**22%**
Net claims incurred	(6.3)	(8.0)	(14.3)	(8.5)	(9.4)	(17.9)	(7.5)	(11.3)	(18.8)	(11.8)	(13.2)	(25.0)	33%
Reinsurance premium expense	(3.8)	(6.5)	(10.3)	(8.1)	(10.8)	(18.9)	(14.0)	(16.8)	(30.8)	(20.3)	(24.0)	(44.3)	44%
Commission and other variable expenses	(15.1)	(17.4)	(32.5)	(21.1)	(21.9)	(43.0)	(25.3)	(27.3)	(52.6)	(31.1)	(33.2)	(64.3)	22%
Funds management expenses	(2.8)	(2.9)	(5.7)	(3.3)	(3.2)	(6.5)	(3.5)	(3.4)	(6.9)	(4.1)	(4.0)	(8.1)	17%
Operating expenses	(27.4)	(27.7)	(55.1)	(34.1)	(36.0)	(70.1)	(38.3)	(37.2)	(75.5)	(39.5)	(38.6)	(78.1)	3%
Movement in policy liabilities	8.6	13.4	22.0	14.8	14.6	29.4	16.6	16.9	33.5	16.7	13.8	30.5	(9%)
Total Operating Earnings (before tax)	**13.0**	**15.2**	**28.2**	**14.1**	**15.6**	**29.7**	**19.5**	**20.1**	**39.6**	**21.8**	**20.9**	**42.7**	**8%**
Income tax (expense) / benefit	(3.9)	(4.6)	(8.5)	(4.2)	(4.6)	(8.8)	(5.6)	(5.8)	(11.4)	(6.5)	(5.6)	(12.1)	6%
Total Operating Earnings (after tax)	**9.1**	**10.6**	**19.7**	**9.9**	**11.0**	**20.9**	**13.9**	**14.3**	**28.2**	**15.3**	**15.3**	**30.6**	**8%**
Interest expense on corporate debt (after tax)	0.0	0.0	0.0	0.0	(0.4)	(0.4)	(0.5)	(0.5)	(1.0)	(0.1)	(0.1)	(0.2)	(81%)
Underlying NPAT	**9.1**	**10.6**	**19.7**	**9.9**	**10.6**	**20.5**	**13.4**	**13.8**	**27.2**	**15.2**	**15.2**	**30.4**	**12%**
Amortisation of intangibles	(3.7)	(3.7)	(7.4)	(4.5)	(4.5)	(9.0)	(4.6)	(4.5)	(9.1)	(4.6)	(3.6)	(8.2)	(10%)
Policy liability discount rate effect	(2.5)	4.7	2.2	5.2	(1.0)	4.2	1.0	10.1	11.1	(9.9)	1.4	(8.5)	(177%)
Matrix Deal and Integration Costs	0.0	0.0	0.0	(1.8)	(0.5)	(2.3)	0.0	0.0	0.0	0.0	0.0	0.0	NM
Your Insure Impairment (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	(1.9)	0.0	(1.9)	0.0	0.0	0.0	(100%)
Direct Restructure (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(2.4)	(2.4)	Large
Strategic Review Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.5)	(0.5)	(0.7)	(0.3)	(1.0)	100%
Tax effect	0.8	(1.4)	(0.6)	(1.1)	0.2	(0.9)	(0.3)	(2.9)	(3.2)	3.2	(0.3)	2.9	(191%)
Reported NPAT	**3.6**	**10.3**	**13.9**	**7.7**	**4.8**	**12.5**	**7.6**	**16.0**	**23.6**	**3.2**	**10.0**	**13.2**	**(44%)**

Breakdown by Segment ($M)	2014			2015			2016			2017			% Change[2]
	1H	2H	FY14	1H	2H	FY15	1H	2H	FY16	1H	2H	FY17	
Life Insurance	4.7	6.1	10.8	7.3	8.0	15.3	12.1	12.4	24.5	12.7	12.2	24.9	2%
Wealth Management	3.0	2.9	5.9	1.1	0.7	1.8	1.3	1.4	2.7	1.6	2.3	3.9	44%
Financial Advice	1.8	1.7	3.5	1.9	2.5	4.4	0.7	0.8	1.5	1.2	1.0	2.2	47%
BU Operating Earnings (after tax)	**9.5**	**10.7**	**20.2**	**10.3**	**11.2**	**21.5**	**14.1**	**14.6**	**28.7**	**15.6**	**15.5**	**31.1**	**8%**
Listed Entity and Other	(0.4)	(0.1)	(0.5)	(0.4)	(0.2)	(0.6)	(0.2)	(0.3)	(0.5)	(0.3)	(0.2)	(0.5)	10%
Total Operating Earnings (after tax)	**9.1**	**10.6**	**19.7**	**9.9**	**11.0**	**20.9**	**13.9**	**14.3**	**28.2**	**15.3**	**15.3**	**30.6**	**8%**
Interest expense on corporate debt (after tax)	0.0	0.0	0.0	0.0	(0.4)	(0.4)	(0.5)	(0.5)	(1.0)	(0.1)	(0.1)	(0.2)	(81%)
Underlying NPAT	**9.1**	**10.6**	**19.7**	**9.9**	**10.6**	**20.5**	**13.4**	**13.8**	**27.2**	**15.2**	**15.2**	**30.4**	**12%**

Notes

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. Inter-segment revenues/expenses are not eliminated in the shareholder view.
2. % change represents the movement from FY16 to FY17.

Consolidated FY17 results: Commentary

Underlying NPAT - $30.4m +12%

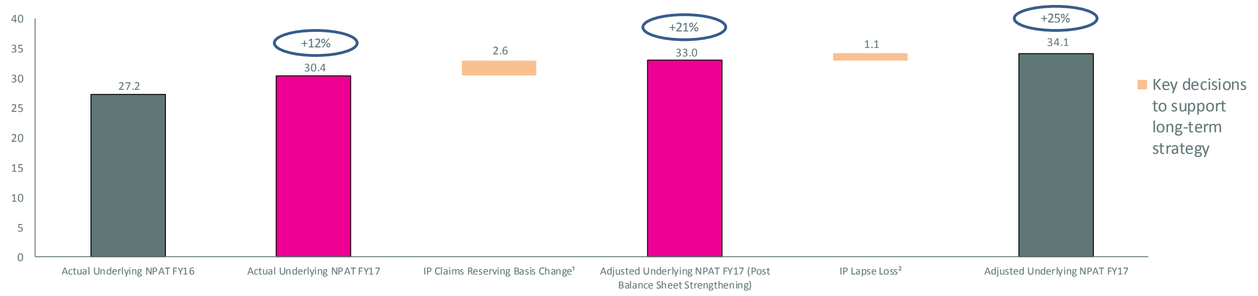
The FY17 result reflects strong fundamentals in the group's underlying operating businesses and the delivery of strong, profitable and sustainable growth:

- Life Insurance remains the key profit driver with further expansion of the IFA distribution footprint leading to strong Advised sales and a material increase in the in-force portfolio which is underpinning the company's growth profile
- Wealth Management is a net flow positive business with growth in earnings now emerging, following the recently-completed 'build phase'
- Financial Advice is committed to building a high quality aligned advice business and helping advisers run more efficient and profitable practices

The FY17 result includes the impact of key decisions to support the longer term strategy. They are detailed below:

- The LifeSolutions adverse claims experience includes the impact of adopting an enhanced actuarial claims reserving basis (statistical model) on the income protection (IP) portfolio in FY17. While the IP portfolio remains profitable, this was behind the adverse "swing" in claims experience between FY17 and FY16
- IP price increases (10% on average) were implemented in October 2016 to ensure prudent management of margin over time but resulted in some short-term elevated lapses
- Closure of the Direct operation reflects changes in the market's attitude and appetite for telephone based non-advice models. A review of the business concluded that the model is no longer economically viable or socially acceptable due to increasing client acquisition costs, rising consumer expectations and likely heightened regulatory scrutiny. The closure of the Direct business, which made an immaterial contribution to the overall group, allows ClearView to sharpen its focus on advised Life Insurance market

The waterfall chart below reflects the company's underlying performance:



Underlying NPAT is the Board's main measure of Group profitability and a key factor in dividend payment decisions.

In FY17, Underlying NPAT increased 12% to $30.4m (FY16: $27.2m). Adjusted Underlying NPAT ($34.1m, +25%) removes the impact of the adoption of an enhanced actuarial income protection claims reserving basis and lapse losses on the IP portfolio.

Notes

1. Enhancement in estimate in relation to IP claims in the course of payment pre 30 June 2016.
2. Lapse loss on IP portfolio in FY17

Consolidated FY17 results: Commentary

Underlying NPAT - $30.4m +12%

- **Life Insurance Underlying NPAT up 2% to $24.9m** (FY16: $24.5m), compared to expected growth of 24%[3]. Lower-than-expected growth attributable to adverse impact on FY17 Underlying NPAT from prudent decisions made by the Board to support the Group's long term strategy (including the adoption of an enhanced IP claims reserving basis and IP price increases). The expected growth of 24% would have been broadly in line with FY17 inforce portfolio growth. Importantly, the underlying performance of the Life Insurance segment remains strong with in-force book growth of 26% and sales of the flagship LifeSolutions product up 16%. The IFA distribution footprint continues to expand, diversifying sales and creating material embedded growth.
- **Wealth Management Underlying NPAT up 44% to $3.9m** (FY16: $2.7m). Growth in earnings is emerging following material investment in the contemporary wealth platform and products in FY15. While contemporary products are written at a lower margin, they continue to build to scale with FUM increasing 17%.
- **Financial Advice Underlying NPAT up 47% to $2.2m** (FY16: $1.5m). Changes to the revenue model and disciplined expense control drove the increase in Underlying NPAT, notwithstanding the acquisition of a practice, increased compliance (and related) costs and investment in the development and roll out of the strategic advice program.
- **Listed Underlying NPAT incurred a loss of $0.7m** (FY16: -$1.5m). A decrease in investment earnings was broadly offset by a related reduction in after-tax interest expenses given the repayment of $45.5m of corporate debt in 2H FY16. The proceeds of a $50m 1 for 10.2 pro-rata accelerated renounceable entitlement offer in June 2016 was used to repay the $45.5m. The improved performance was driven by a reduction in listed entity costs and an R&D development tax rebate in relation to FY16 (+$0.3m).

Other adjustments and amortisation

- Amortisation of intangibles ($8.2m) is associated with the acquisition of the wealth management and life insurance businesses from Bupa, the ComCorp financial advice business and Matrix Planning Solutions. These are separately reported to remove the non-cash effect of the write-off of these acquired intangibles. However, amortisation associated with capitalised software is reported as part of Underlying NPAT.
- The policy liability discount rate effect is the result of changes in the long-term discount rates used to determine insurance policy liabilities. The Life Insurance policy liability (based on AIFRS[1]) 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 increase in long-term discount rates over FY17 caused an adverse after-tax impact of -$5.9m (FY16: decrease in long-term discount rates +$7.8m).

Costs that are considered unusual to ClearView's ordinary activities, and therefore not reflected as part of Underlying NPAT, related to:

- Expenses incurred on the evaluation of strategic options and Sony Life becoming a new strategic shareholder $0.7m after tax (FY16: $0.4m). Ongoing costs associated with the Cooperation Agreement between ClearView and Sony Life will continue to be considered unusual to ordinary activities in FY18.
- The closure of ClearView's Direct operation ($2.4m after tax).
- FY16 costs related to the write-off of ClearView's investment in Your Insure, which incurred a net of tax cost of $1.9m.

Reported NPAT and earnings per share (EPS) - $13.2m -44%

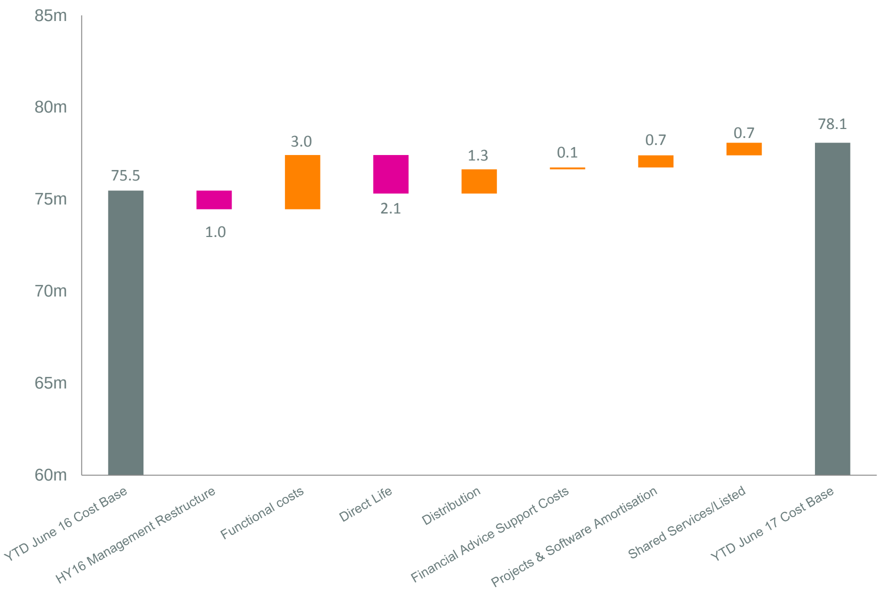
- Reported NPAT decreased 44% to $13.2m (FY16: $23.6m) and reported diluted EPS decreased 51% or 2.16 cents per share (cps) to 2.11 cps (FY16: 4.27 cps). EPS calculations have been negatively impacted by an adverse swing of $13.7m (after-tax) from the impact of changes in the long-term discount rates on policy liabilities between periods coupled with the FY17 impact of the shares issued (59m) in the $50m accelerated renounceable share entitlement capital raising in June 2016.
- Fully diluted Underlying EPS was broadly in line with the prior period at 4.88 cps (FY16: 4.92 cps). This was driven by an increase in Underlying NPAT of $3.2m offset by the impact from the shares issued under the capital raising (as noted above).

Notes

1. Australian International Financial Reporting Standards.
2. Enhancement in estimate in relation to IP claims in the course of payment pre 30 June 2016.
3. Expected Life Insurance Underlying NPAT of $29.3m (+24% FY16 to FY17) reflects expected profit margins on in-force portfolios based on actuarial assumptions.

Operating expenses overview

YTD Jun FY16 vs YTD Jun FY17 Cost Base

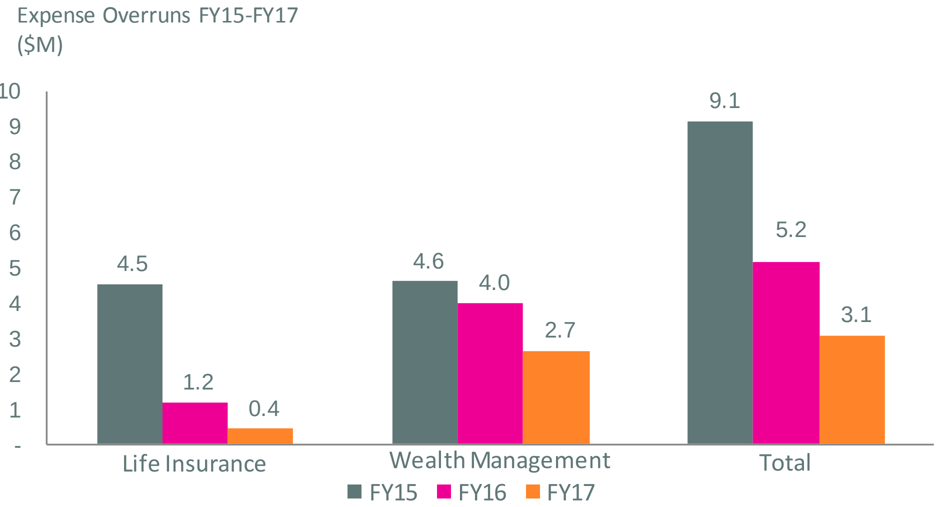


FY16 vs FY17 cost base

As illustrated in the waterfall chart, the operating cost base increased 3% over the year from $75.5m in FY16 to $78.1m in FY17. Key factors included:

- **Management restructure HY16** – Restructure costs incurred in HY16 relating to management changes in October 2015. Related savings flowing from 2H FY16.
- **Functional costs** – Increased costs in functional areas to support business growth including administration, call centre, claims and underwriting. This reflects underlying volume growth in both new business and the in-force base. Functional costs also include the incremental growth in IT support given the increasing number of software applications including costs associated with the automation of Life Insurance correspondence, new general ledger platform and the data warehouse.
- **Exit of Direct Life Insurance** – Lower fixed cost base given strategic decision to reduce exposure to the Direct business. Annualised costs savings of approximately $4m are expected from the closure of the business.
- **Distribution costs** – Increased business development costs reflecting a larger Life Insurance distribution presence to support the broader IFA footprint. Investment in Wealth Management's 'front-end' to support business growth following the launch of contemporary platform and products remained broadly consistent between periods.
- **Financial Advice support costs** – Increased dealer services costs associated with the acquisition of an advisory practice under contractual arrangements, investment in the development and roll out of a strategic advice program and ongoing compliance, partially offset by the benefit of transitioning employed planners to a self-employed model.
- **Project scoping costs** – An upgrade of the general ledger to a cloud-based solution resulted in additional costs in FY17. Software amortisation costs also increased as projects passed go-live dates, in particular the correspondence and data warehouse projects. A project to migrate the Master Trust onto the contemporary wealth platform commenced in FY17 with cost benefits and efficiencies expected to flow from late FY18. Provision for the wealth migration of $1.1m remains on balance sheet at 30 June 2017 and is expected to be progressively utilised in FY18.
- **Shared services / Listed entity** – Increased shared services and business support costs should reduce on a per customer basis as the business grows and achieves further scale. Listed entity costs have reduced given changes in Board size and composition plus a reduction in investor relations costs in FY17.

Non-deferred expense overruns (after tax) by segment



Non-deferred expense overruns

ClearView has consistently invested in operations ahead of revenue to support growth including prioritising incremental costs above those required for ClearView's current scale (expense overruns) to build capability for the future. This includes initial start-up costs and business investment costs that are being incurred prior to achieving scale. As ClearView continues to grow, the remaining expense overruns are likely to be absorbed.

Expense overruns initially depress reported profits but begin to unwind as scale is achieved and underlying profit realised as the in-force portfolio increases. In FY17, the non-deferred expense overruns across the Life Insurance and Wealth Management 'manufacturing' businesses had a negative impact on Underlying NPAT of $3.1m (FY16: $5.2m). The movements between segments are shown in the corresponding graph which indicates that cost overruns continue to be absorbed.

Given the current size of the in-force business, these overruns are predominantly driven by:

- Significant investment in LifeSolutions. These overruns are progressively reducing ($0.4m in FY17 versus $4.5m in FY15) as LifeSolutions achieves scale.
- Investment in WealthFoundations and the contemporary wealth platform in FY15. WealthSolutions continues to build scale (FUM +34%) with WealthFoundations now contributing to growth and development costs (FUM +50%). Expense overruns decreased in FY17 due to increased FUM balances and a reduction in the Wealth Management operating cost base (-9%). A key driver of the overrun is that the expense allowances for the Master Trust are higher than contemporary products, in particular WealthSolutions where IT and administration is outsourced. As the Master Trust business runs off, albeit at a slower rate than anticipated, this has an adverse impact on the expense overruns until WealthFoundations achieves scale to support the cost base. Costs associated with the contemporary platform will be shared with the Master Trust once the migration project is completed. Expense overruns should therefore improve as WealthFoundations FUM builds and the migration project is completed.

Life Insurance

12 Months to June 2017 ($M)[1]	2014			2015			2016			2017			%
	1H	2H	FY14	1H	2H	FY15	1H	2H	FY16	1H	2H	FY17	Change[2]
Gross life insurance premiums	36.2	40.6	76.8	49.6	55.5	105.1	64.9	73.4	138.3	84.4	93.3	177.7	28%
Interest income	1.1	1.2	2.3	1.5	1.5	3.0	1.4	1.4	2.8	1.2	1.1	2.3	(18%)
Net claims incurred	(6.3)	(8.0)	(14.3)	(8.5)	(9.4)	(17.9)	(7.5)	(11.3)	(18.8)	(11.8)	(13.2)	(25.0)	33%
Reinsurance premium expense	(3.8)	(6.5)	(10.3)	(8.1)	(10.8)	(18.9)	(14.0)	(16.8)	(30.8)	(20.3)	(24.0)	(44.3)	44%
Commission and other variable expenses	(11.6)	(13.9)	(25.5)	(17.6)	(18.2)	(35.8)	(21.9)	(24.0)	(45.9)	(27.8)	(29.9)	(57.7)	26%
Operating expenses	(17.5)	(18.1)	(35.6)	(21.2)	(21.9)	(43.1)	(22.2)	(22.0)	(44.2)	(24.2)	(23.7)	(47.9)	8%
Movement in policy liabilities	8.6	13.4	22.0	14.8	14.6	29.4	16.6	16.9	33.5	16.7	13.8	30.5	(9%)
Underlying NPBT	**6.7**	**8.7**	**15.4**	**10.5**	**11.3**	**21.8**	**17.3**	**17.6**	**34.9**	**18.2**	**17.4**	**35.6**	**2%**
Income tax (expense) / benefit	(2.0)	(2.6)	(4.6)	(3.2)	(3.3)	(6.5)	(5.2)	(5.2)	(10.4)	(5.5)	(5.2)	(10.7)	2%
Underlying NPAT	**4.7**	**6.1**	**10.8**	**7.3**	**8.0**	**15.3**	**12.1**	**12.4**	**24.5**	**12.7**	**12.2**	**24.9**	**2%**
Amortisation of intangibles	(0.7)	(0.7)	(1.4)	(1.5)	(1.4)	(2.9)	(1.4)	(1.4)	(2.8)	(1.4)	(1.4)	(2.8)	0%
Policy liability discount rate effect (after tax)	(1.7)	3.3	1.6	3.6	(0.7)	2.9	0.7	7.1	7.8	(6.9)	1.0	(5.9)	(177%)
Reported NPAT	**2.3**	**8.7**	**11.0**	**9.4**	**5.9**	**15.3**	**11.4**	**18.1**	**29.5**	**4.4**	**11.9**	**16.2**	**(45%)**

Analysis of Profit ($M)	2014			2015			2016			2017			%
	1H	2H	FY14	1H	2H	FY15	1H	2H	Total	1H	2H	FY17	Change[2]
Planned Actuarial Underlying NPAT	**6.8**	**8.3**	**15.1**	**9.3**	**9.9**	**19.2**	**11.4**	**12.3**	**23.7**	**14.2**	**15.1**	**29.3**	**24%**
Claims experience	0.7	0.4	1.1	0.1	(0.2)	(0.1)	1.7	(0.7)	1.1	(0.6)	(1.3)	(1.9)	(278%)
Lapse experience	(0.1)	(0.8)	(0.9)	(0.2)	0.3	0.1	(0.2)	0.7	0.5	(0.7)	(1.3)	(2.0)	(505%)
Expense experience	(2.9)	(1.6)	(4.5)	(2.2)	(2.3)	(4.5)	(0.9)	(0.2)	(1.2)	(0.3)	(0.1)	(0.4)	(63%)
Other	0.2	(0.1)	0.1	0.3	0.3	0.6	0.1	0.3	0.4	0.1	(0.2)	(0.1)	(128%)
Actual Underlying NPAT	**4.7**	**6.1**	**10.8**	**7.3**	**8.0**	**15.3**	**12.1**	**12.4**	**24.5**	**12.7**	**12.2**	**24.9**	**2%**

Key Statistics And Ratios ($M)	2014			2015			2016			2017			%
	1H	2H	FY14	1H	2H	FY15	1H	2H	FY16	1H	2H	FY17	Change[2]
New Business	**12.9**	**14.5**	**27.4**	**17.0**	**17.5**	**34.5**	**18.2**	**21.0**	**39.2**	**22.1**	**20.2**	**42.3**	**8%**
LifeSolutions	11.5	12.1	23.6	13.2	14.3	27.5	15.7	19.0	34.7	20.6	19.7	40.3	16%
Non Advice	1.4	2.4	3.8	3.8	3.2	7.0	2.5	2.0	4.5	1.5	0.5	2.0	(56%)
In-Force	**73.8**	**87.5**	**87.5**	**101.4**	**115.7**	**115.7**	**132.0**	**150.7**	**150.7**	**171.0**	**189.5**	**189.5**	**26%**
LifeSolutions	32.6	45.2	45.2	57.5	71.0	71.0	86.7	105.7	105.7	126.1	146.1	146.1	38%
Non Advice	41.2	42.3	42.3	43.9	44.7	44.7	45.3	45.0	45.0	44.9	43.4	43.4	(4%)
Old Book	37.5	36.7	36.7	35.8	35.1	35.1	34.7	34.1	34.1	33.6	32.7	32.7	(4%)
New Book	3.7	5.6	5.6	8.1	9.6	9.6	10.6	10.9	10.9	11.3	10.7	10.7	(2%)
Cost to Income Ratio	**48.3%**	**44.6%**	**46.4%**	**42.7%**	**39.5%**	**41.0%**	**34.2%**	**30.0%**	**32.0%**	**28.7%**	**25.4%**	**27.0%**	

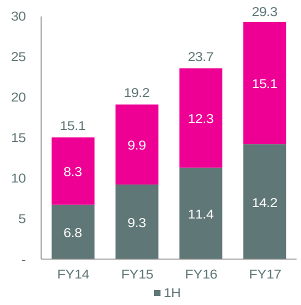
Notes

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. Inter-segment revenues/expenses are not eliminated in the shareholder view.
2. % change represents the movement from FY16 to FY17.

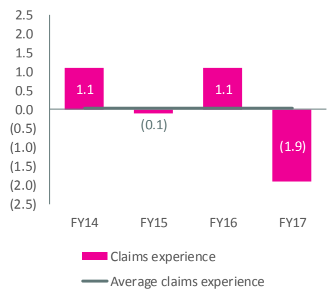
Life Insurance continued…

Overview

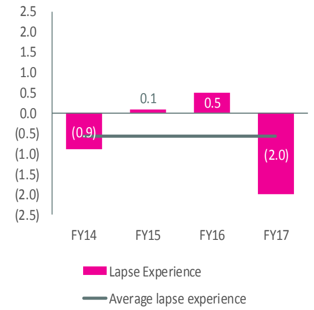
Expected Life Insurance underlying NPAT[3] ($m)



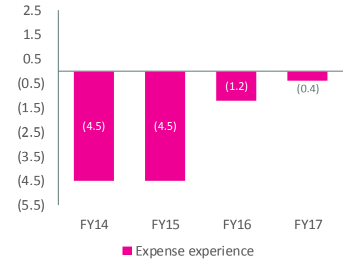
Claims experience ($m)



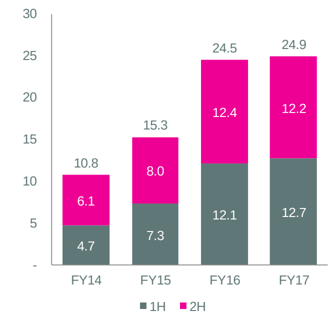
Lapse experience ($m)



Expense experience ($m)



Actual Life Insurance underlying NPAT[1] ($m)



Profit analysis

- Expected Underlying NPAT of $29.3m in FY17 is up 24%[3] reflecting:
  - Expected profit margins on the in-force portfolios based on actuarial assumptions; and
  - Strong growth in the in-force portfolios (+26%) partially offset by the run-off of the higher margin old book.
- Actual Life Insurance Underlying NPAT up 2% to $24.9m compared to expected growth of 24%[3]. Lower-than-expected growth attributable to adverse impact on FY17 Underlying NPAT from prudent decisions made by the Board to support the Group's long term strategy (including the adoption of an enhanced IP claims reserving basis and IP price increases). The expected growth of 24% would have been broadly in line with FY17 inforce portfolio growth.
- The underlying performance of the Life Insurance segment remains strong with in-force book growth of 26% and LifeSolutions sales up 16%. This is largely due to the expanding IFA distribution footprint resulting in an increasingly diversified sales profile and material embedded growth.
- Adverse claims experience relative to the claims assumptions in the Life Insurance policy liability (determined at 30 June 2016) resulted in an experience loss of $1.9m (after tax) relative to planned margins ($1.1m profit in FY16). Consequently, there was an adverse swing of $3m between periods.
  - The adverse experience on the LifeSolutions portfolio (-$2.1m) was partially offset by the positive net experience on the Direct life insurance portfolios which are closed to new business (+$0.2m).
  - LifeSolutions' adverse claims experience was driven mainly by the IP portfolio (-$3.7m) with lump sum reflecting a claims profit ($1.6m). A material component of the IP claims loss arose from the adoption of an enhanced actuarial claims reserving basis which had an adverse impact (-$2.6m[2]) in FY17. Notwithstanding this, the IP portfolio remains profitable.

Notes

1. Underlying NPAT 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. Enhancement in estimate in relation to IP claims in the course of payment pre 30 June 2016.
3. Expected Life Insurance Underlying NPAT of $29.3m (+24% FY16 to FY17) reflects expected profit margins on in-force portfolios based on actuarial assumptions.

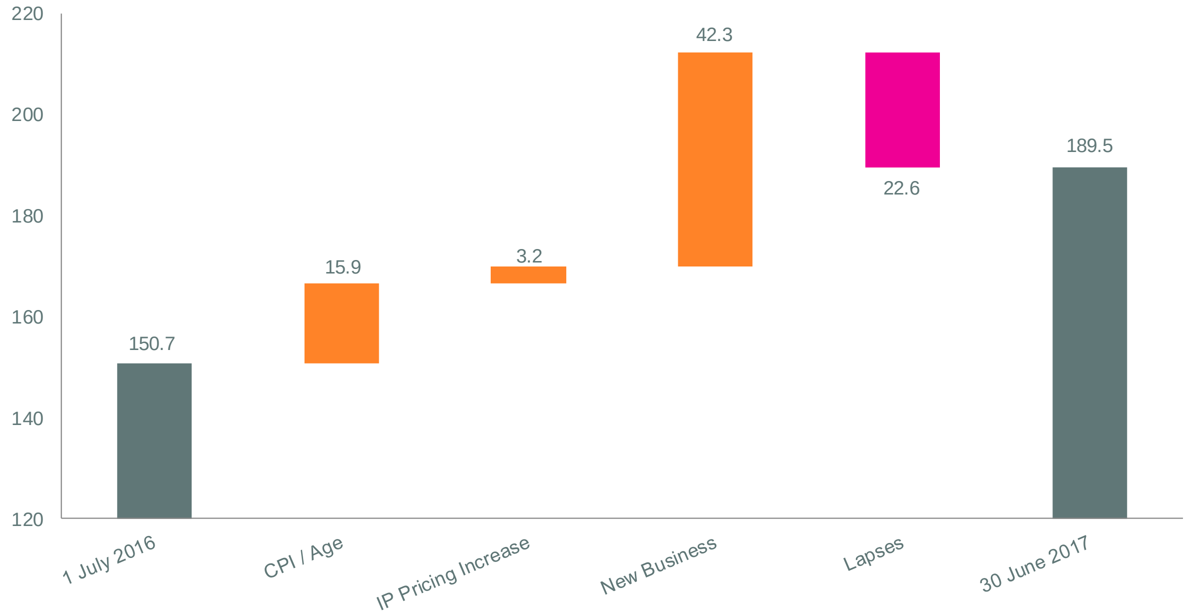
Life Insurance continued…

Profit analysis continued…

- Actuarial claims assumptions have been updated to better reflect expected claims costs. As a result, the projected cost of IP claims has increased (post the reserving base changes) which is offset by a decrease in the projected cost of lump sum claims. Claims assumptions therefore had an overall net immaterial impact on the LifeSolutions portfolio.
- Given the current size of the Life Insurance portfolio and the reinsurance arrangements in place, which vary by product, some statistical claims volatility can be expected period-to-period. The claims experience is expected to average out over time based on actuarial best-estimate assumptions. The graph on the previous slide outlines the overall net claims performance which broadly has nil impact over a four-year period (+$0.1m).
- Lapse experience loss relative to assumptions in the Life Insurance policy liability (determined at 30 June 2016) with an experience loss of $2.0m in FY17 against planned margins ($0.5m profit in FY16), reflect an adverse swing of $2.5m between periods. Notable points include:
  - LifeSolutions portfolio had an overall adverse lapse experience loss relative to assumptions in FY17 (-$1.6m);
  - IP price increases implemented to help manage margin over time but resulted in some short-term elevated lapses (-$1.1m). IP price increases designed to improve the long-term product profitability;
  - LifeSolutions lapse actuarial assumptions reshaped to better reflect actual and expected experience. This has an overall net immaterial impact on the future projected profitability or the Embedded Value; and
  - Old Direct book (business written pre-2011) recorded a neutral lapse experience in FY17 while the Non-advice portfolio experienced lapse losses (-$0.4m) albeit a significant improvement on FY16. Both portfolios are closed to new business.
- Although expense overruns initially depress reported profits, they should eliminate as scale is achieved thereby increasing underlying profit on the growing in-force portfolio.
  - Non-deferred expense experience loss decreased from $1.2m in FY16 to $0.4m in FY17, demonstrating that expense overruns are being absorbed as scale is achieved.
- Investment earnings were impacted by falling interest rates over the year, partially offset by the reallocation of shareholder cash to the Life Insurance segment (given the growth in the business and related capital requirements).
- The increased reinsurance expense is aligned to the growth in in-force portfolios given the upfront reinsurance support provided in year one of a policy by the reinsurer.
- Growth in Life Insurance initial commission in FY17 was driven by the upfront variable commission cost related to higher new business volumes. These acquisition costs are deferred and amortised within the policy liability over the expected life of the policies, in accordance with accounting standards. From 1 January 2018, life insurance reforms will be implemented with caps on upfront commission.
- Increased variable expenses related to stamp duty and medical policy acquisition costs driven by increased new business volumes.

Life Insurance in-force premium movement FY16 to FY17

Performance - KPIs



- In-force premium growth was driven by strong new business growth with lapses partially offset by age-based premium increases and inflation (CPI) increases on insurance benefits. IP price increases were implemented and increased the in-force book by $3.2m for those policies that subsequently renewed.
- The product mix making up the in-force book has changed significantly with LifeSolutions' in-force premium now $146.1m as at 30 June 2017 (+38%), representing 77% of the total life insurance in-force book (links to the margin shifts across the overall portfolio).
- LifeSolutions sales growth reflecting:
  - Continued market outperformance with new business premium up 16% to $40.3m;
  - Focus on expanding IFA distribution network and embedded growth with LifeSolutions now available on 343 APLs, up 34%; and
  - Strong growth and market outperformance in Advised market with 72% of LifeSolutions sales generated from IFA channel (IFA sales +34%).
- Non-advice in-force book (closed to new business) is $10.7m (-2%). The old Direct book had (business written pre-2011) in-force premium of $32.7m (-4%) as at 30 June 2017.
- Non-advice sales dropped 56% in FY17, reflecting the intentional decision to close the Direct business to focus on the core Advised Life Insurance market.

Wealth Management

12 Months to June 2017 ($M)[1]	2014			2015			2016			2017			% Change[2]
	1H	2H	FY14	1H	2H	FY15	1H	2H	FY16	1H	2H	FY17	
Fund management fees	15.3	15.1	30.4	15.2	16.1	31.3	15.7	15.4	31.1	16.3	16.5	32.8	6%
Interest income	0.4	0.4	0.8	0.3	0.2	0.5	0.2	0.2	0.4	0.2	0.2	0.3	(12%)
Variable expense[3]	(3.5)	(3.6)	(7.1)	(3.5)	(3.7)	(7.2)	(3.4)	(3.3)	(6.7)	(3.3)	(3.2)	(6.5)	(2%)
Funds management expenses	(2.8)	(2.9)	(5.7)	(3.3)	(3.2)	(6.5)	(3.5)	(3.4)	(6.9)	(4.1)	(4.0)	(8.1)	18%
Operating expenses	(5.3)	(5.1)	(10.4)	(7.4)	(8.5)	(15.9)	(7.7)	(7.5)	(15.2)	(7.0)	(6.8)	(13.8)	(9%)
Underlying NPBT	**4.1**	**3.9**	**8.0**	**1.3**	**0.9**	**2.2**	**1.3**	**1.3**	**2.6**	**2.1**	**2.6**	**4.6**	**78%**
Income tax (expense) / benefit	(1.1)	(1.0)	(2.1)	(0.2)	(0.2)	(0.4)	0.0	0.1	0.1	(0.4)	(0.3)	(0.7)	(768%)
Underlying NPAT	**3.0**	**2.9**	**5.9**	**1.1**	**0.7**	**1.8**	**1.3**	**1.4**	**2.7**	**1.6**	**2.3**	**3.9**	**46%**
Amortisation of intangibles	(2.6)	(2.6)	(5.3)	(2.6)	(2.6)	(5.2)	(2.6)	(2.7)	(5.3)	(2.6)	(1.8)	(4.4)	(17%)
Reported NPAT	**0.4**	**0.3**	**0.7**	**(1.5)**	**(1.9)**	**(3.4)**	**(1.3)**	**(1.3)**	**(2.6)**	**(0.9)**	**0.5**	**(0.5)**	**(82%)**

Key Statistics And Ratios ($M)	2014			2015			2016			2017			% Change[2]
	1H	2H	FY14	1H	2H	FY15	1H	2H	FY16	1H	2H	FY17	
Net Flows	**5.2**	**(13.6)**	**(8.4)**	**25.7**	**85.8**	**111.5**	**101.2**	**111.1**	**212.3**	**59.5**	**145.4**	**204.9**	**(3%)**
Master Trust	(79.5)	(81.8)	(161.3)	(99.1)	(64.6)	(163.7)	(58.1)	(64.5)	(122.6)	(81.5)	(66.3)	(147.8)	21%
WealthSolutions	84.7	68.2	152.9	72.8	90.5	163.3	112.7	75.3	188.0	86.6	112.5	199.1	6%
WealthFoundations	0.0	0.0	0.0	51.9	59.9	111.8	46.6	45.8	92.4	42.1	45.7	87.8	(5%)
External Platforms	0.0	0.0	0.0	0.0	0.0	0.0	0.0	54.5	54.5	12.3	53.5	65.8	21%
Total FUM ($B)	**1.63**	**1.66**	**1.66**	**1.77**	**1.90**	**1.90**	**1.98**	**2.13**	**2.13**	**2.28**	**2.50**	**2.50**	**17%**
Master Trust	1.30	1.25	1.25	1.22	1.18	1.18	1.11	1.07	1.07	1.03	1.00	1.00	(7%)
WealthSolutions	0.33	0.41	0.41	0.50	0.61	0.61	0.72	0.80	0.80	0.93	1.08	1.08	34%
WealthFoundations	0.00	0.00	0.00	0.05	0.11	0.11	0.15	0.20	0.20	0.25	0.30	0.30	50%
External Platforms	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.06	0.07	0.12	0.12	117%
Cost to Income Ratio	**34.5%**	**33.7%**	**34.1%**	**48.7%**	**52.8%**	**50.8%**	**49.0%**	**48.7%**	**49.0%**	**42.9%**	**41.4%**	**42.1%**	

Notes
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. Inter-segment revenues/expenses are not eliminated in the shareholder view.
2. % change represents the movement from FY16 to FY17.
3. Variable expense include the platform fee payable on WealthSolutions and the internal advice fee payable to the Financial Advice segment on the Master Trust product.

Wealth Management continued…

Overview(1)

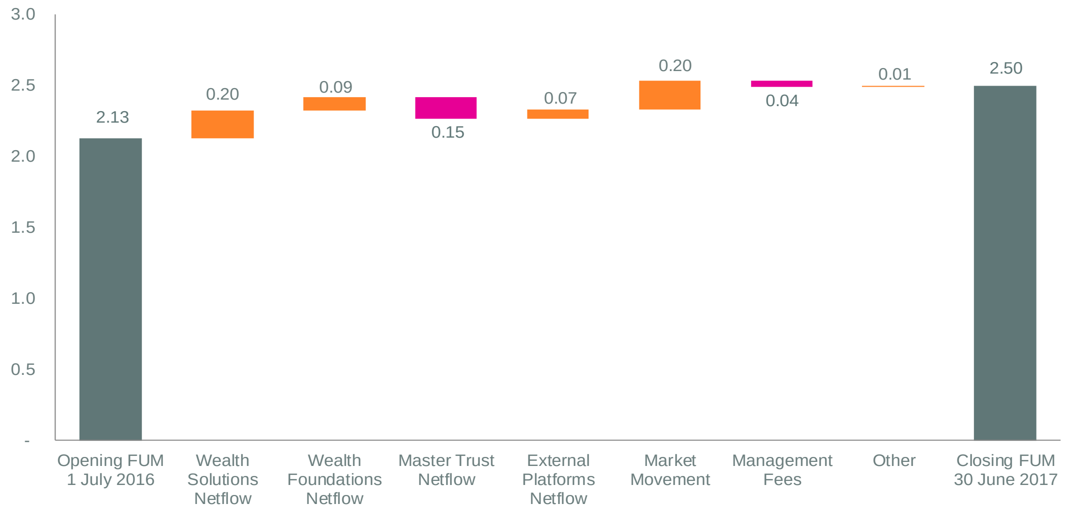
- Wealth Management segment profitability is primarily driven by fees earned from FUM in inhouse product less expenses incurred.
- The positive impact on net fee income from FUM growth (+17%) was offset by margin compression from the gradual run-off of the Master trust product being replaced by lower margin new business written in WealthSolutions and WealthFoundations (fee income +6% overall).
  - Master trust is effectively a closed book with a portion of FUM in pension phase.
  - Investment market performance key to supporting Master trust FUM.
  - Investment market performance of 9% on FUM compared to a 4% investment return in FY16.
  - Margin compression and run off from the Master trust book is assumed in Embedded Value (EV) calculations.
- Decrease in variable expenses driven by:
  - Inter-segment advice fee (50bps) paid to Financial Advice on Master trust FUM (in line with average Master trust FUM); and
  - Partially offset by higher platform fees payable on WealthSolutions (in line with average WealthSolutions FUM).
- Funds management expenses increased in line with the expanded wealth product range (WealthFoundations launch and MIS growth on platforms) and increased FUM between periods.
- Decrease in operating expenses (-9%) driven by a reduction in wealth administration functions due to greater efficiencies from growth in WealthFoundations and MIS FUM. Front-end costs to support business growth has remained broadly consistent. The Master trust migration project commenced in 2H FY17 with cost benefits expected to flow through in late FY18. IT support and shared services costs allocated to the Wealth Management segment reduced in FY17 and have been absorbed by growth in the Life Insurance segment.
  - Expense overruns (after tax) decreased to $2.7m in FY17 (FY16: $4.0m) driven by higher FUM balances (+17%) and a lower Wealth Management operating cost base (-9%). This is explained in further detail in the expense overrun section on slide 29.
- The tax benefit of $0.7m in FY17 included:
  - Exempt fees in the Master trust product range; and
  - Positive impact from a tax benefit arising from superannuation insurance premium deductions.
- Reduced investment earnings given the reallocation of shareholder cash between segments and lower market interest rates.

Notes

1. % change represents the movement from FY16 to FY17.

Wealth Management FUM movement FY16 to FY17

Performance - KPIs [1]



- FUM up 17% to $2.5bn at 30 June 2017 with $1.5bn in contemporary products including ClearView platform funds on external platforms. Top quartile investment performance across ClearView models remains key to attracting flows and supporting the Master trust FUM given that product is not actively marketed to new customers.
- Wealth Management was $205m net flow positive in FY17 (-3%) with material net flows (relative to FUM balances) into contemporary products (+5%). This reflected:
  - WealthSolutions net inflows of $199m (+6%); FUM of $1.08bn (+34%)
  - WealthFoundations net inflows of $88m (-5%); FUM of $0.3bn (+51%)
  - External platform net inflows of $66m (+21%); FUM of $0.12bn (+125%)
  - Master trust net outflows of $148m (-21%); FUM including closed MISs of $1.0bn (-7%)
- To date, WealthSolutions and WealthFoundations have primarily been sold by aligned advisers:
  - These products will be rolled out further across the Matrix dealer group as well as the IFA market
  - Expanding Wealth Management's distribution footprint broadly commenced in FY17 with WealthFoundations now available on 30 third-party APLs

Notes

1. % change represents the movement from HY16 to HY17.

Financial Advice

12 Months to June 2017 ($M)[1]	2014			2015			2016			2017			% Change[2]
	1H	2H	FY14	1H	2H	FY15	1H	2H	FY16	1H	2H	FY17	
Net financial planning fees	6.4	6.3	12.7	7.0	8.2	15.2	8.5	8.2	16.7	9.1	8.8	17.9	7%
Interest & other income	0.1	0.1	0.2	0.2	0.2	0.4	0.2	0.1	0.3	0.5	0.1	0.6	102%
Operating expenses	(3.9)	(4.0)	(7.9)	(4.6)	(4.8)	(9.4)	(7.7)	(7.2)	(14.9)	(7.9)	(7.4)	(15.3)	3%
Underlying NPBT	**2.6**	**2.4**	**5.0**	**2.6**	**3.6**	**6.2**	**1.0**	**1.1**	**2.1**	**1.7**	**1.5**	**3.2**	**53%**
Income tax (expense) / benefit	(0.8)	(0.7)	(1.5)	(0.7)	(1.1)	(1.8)	(0.3)	(0.3)	(0.6)	(0.5)	(0.4)	(0.9)	42%
Underlying NPAT	**1.8**	**1.7**	**3.5**	**1.9**	**2.5**	**4.4**	**0.7**	**0.8**	**1.5**	**1.2**	**1.0**	**2.2**	**47%**
Amortisation of intangibles	(0.4)	(0.4)	(0.8)	(0.4)	(0.5)	(0.9)	(0.5)	(0.5)	(1.0)	(0.5)	(0.5)	(1.0)	0%
Matrix deal and integration costs (net of tax)	0.0	0.0	0.0	(0.3)	0.0	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0	NA
Reported NPAT	**1.4**	**1.3**	**2.7**	**1.2**	**2.0**	**3.2**	**0.2**	**0.3**	**0.5**	**0.7**	**0.5**	**1.2**	**140%**

Key Statistics And Ratios	2014			2015			2016			2017			% Change[2]
	1H	2H	FY14	1H	2H	FY15	1H	2H	FY16	1H	2H	FY17	
FUMA ($B)	3.8	4.1	4.1	7.4	7.9	7.9	8.1	8.2	8.2	8.5	8.9	8.9	9%
PUA ($M)	79	94	94	160	187	187	203	215	215	223	237	237	10%
CFA Advisers	109	117	117	131	139	139	136	146	146	153	153	153	5%
Matrix Advisers	-	-	-	85	82	82	85	89	89	90	90	90	1%
Total Advisers	**109**	**117**	**117**	**216**	**221**	**221**	**221**	**235**	**235**	**243**	**243**	**243**	**3%**

Notes

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. Inter-segment revenues/expenses are not eliminated in the shareholder view.
2. % change represents the movement from FY16 to FY17.

Financial Advice continued…

Overview[1]

- Growth in net financial planning fees (7%) primarily driven by:
    - Dealer service fees and membership revenue from new practices (including practice acquired under contractual arrangements) (+$0.3m);
    - Higher internal sponsorship revenue from LifeSolutions partially offset by run off of internal advice fee (50bps) earned on Master Trust FUM (+$0.9m); and
    - Delegate and sponsorship revenue generated from the annual dealer group conference (+$0.2m).
- Increased operating expense of $0.4m in FY17 (+3%) was primarily driven by:
    - Higher dealer group support costs due to the acquisition of a practice, increased compliance (and related) costs and investment in the development and roll out of the strategic advice program, partially offset by benefits associated with transitioning employed planners to a self-employed model;
    - Increased dealer group conference costs, partially offset by sponsorship revenue; and
    - Reduced allocation of marketing and other shared services costs to the dealer group.
- Interest and other income related to the reallocation of shareholder cash between segments and lower market interest rates. Other income includes the potential recovery of certain compliance costs incurred (+$0.3m).

Performance - KPIs[1]

- Aligned FUMA up 9% to $8.9bn and premiums under advice up to $237m. This growth is due largely to positive market performance (impacts on FUMA) and change in adviser numbers and composition:
    - Of the $8.9bn in FUMA, $1.4bn was in contemporary inhouse Wealth Management products and $1.0bn was in the Master trust product.
    - Of the $237m PUA in-force, $70m was in LifeSolutions.

Notes

1. % change represents the movement from FY16 to FY17.

Listed entity

12 Months to June 2017 ($M)[1]	2014			2015			2016			2017			% Change[2]
	1H	2H	FY14	1H	2H	FY15	1H	2H	FY16	1H	2H	FY17	
Interest income	0.3	0.7	1.0	0.6	0.6	1.2	0.6	0.6	1.2	0.2	0.1	0.3	(76%)
Operating expenses	(0.7)	(0.5)	(1.2)	(0.9)	(0.8)	(1.7)	(0.6)	(0.6)	(1.2)	(0.4)	(0.6)	(1.0)	(17%)
BU Operating NPBT	**(0.4)**	**0.2**	**(0.2)**	**(0.3)**	**(0.2)**	**(0.5)**	**0.0**	**0.0**	**0.0**	**(0.2)**	**(0.5)**	**(0.7)**	**(1974%)**
Income tax (expense) / benefit	(0.0)	(0.3)	(0.3)	(0.1)	0.0	(0.1)	(0.2)	(0.3)	(0.5)	(0.1)	0.3	0.2	(142%)
BU Operating NPAT	**(0.4)**	**(0.1)**	**(0.5)**	**(0.4)**	**(0.2)**	**(0.6)**	**(0.2)**	**(0.3)**	**(0.5)**	**(0.3)**	**(0.2)**	**(0.5)**	**8%**
Interest expense on corporate debt (after tax)	0.0	0.0	0.0	0.0	(0.4)	(0.4)	(0.5)	(0.5)	(1.0)	(0.1)	(0.1)	(0.2)	(81%)
Underlying NPAT	**(0.4)**	**(0.1)**	**(0.5)**	**(0.4)**	**(0.6)**	**(1.0)**	**(0.7)**	**(0.8)**	**(1.5)**	**(0.4)**	**(0.3)**	**(0.7)**	**(53%)**
Matrix Deal and Integration Costs	0.0	0.0	0.0	(1.1)	(0.5)	(1.6)	0.0	0.0	0.0	0.0	0.0	0.0	NM
Strategic Review Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.4)	(0.4)	(0.5)	(0.1)	(0.6)	54%
Your Insure impairment	0.0	0.0	0.0	0.0	0.0	0.0	(1.9)	0.0	(1.9)	0.0	0.0	0.0	NM
Direct Closure Provision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(2.4)	(2.4)	NM
Reported NPAT	**(0.4)**	**(0.1)**	**(0.5)**	**(1.5)**	**(1.1)**	**(2.6)**	**(2.6)**	**(1.2)**	**(3.8)**	**(0.9)**	**(2.8)**	**(3.7)**	**(2%)**

Overview [2]

- Investment earnings on cash and investments held in the listed and central services entities and in the shareholders' fund of ClearView Life, less costs associated with maintaining a listed entity. The Company manages capital at the listed entity level in accordance with its Internal Capital Adequacy Assessment Process (ICAAP) policy.
- Drop in investment earnings (-76%) is for the most part offset by a related reduction in after-tax interest expenses given the repayment of $45.5m of corporate debt in 2H FY16. This was repaid using proceeds of a $50m 1 for 10.2 pro-rata accelerated renounceable entitlement offer in June 2016.
- Lower operating expenses driven by a reduction in directors' fees and investor relations costs. There were changes in Board size and composition between periods.
- Tax benefit of $0.1m (FY16: tax charge $0.2m) related to the research and development tax rebate in FY16 (+$0.3m) partially offset by the non-deductibility of the Employee Share Plan expense that is absorbed within the Listed segment. As such, the Group effective tax rate for FY17 is 28%.

Notes

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. Inter-segment revenues/expenses are not eliminated in the shareholder view.
2. % change represents the movement from FY16 to FY17.

Embedded value and capital position

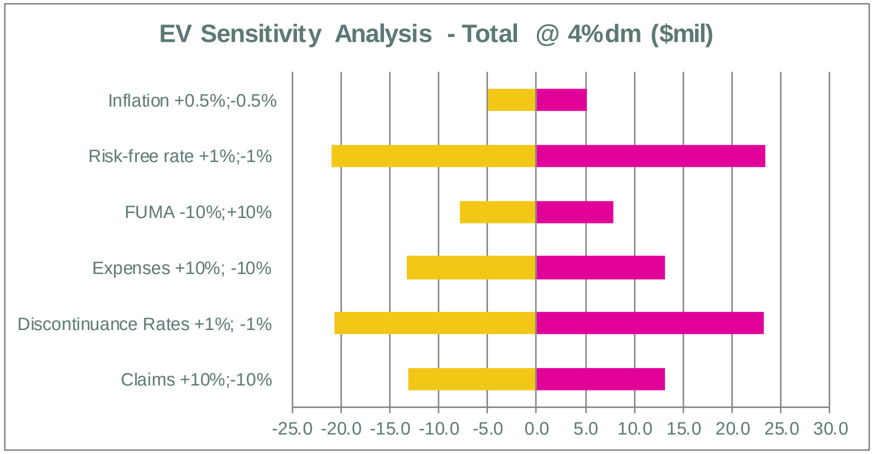
EV movement analysis @ 4% DM by segment at 30 June 2017

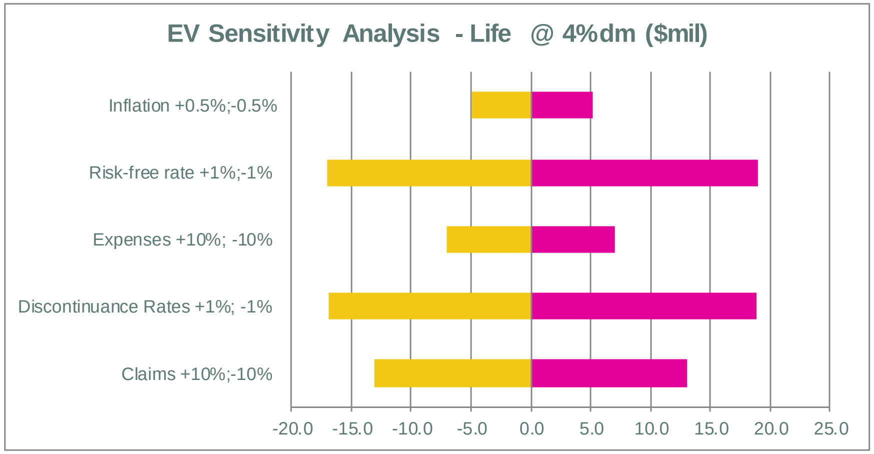
MOVEMENT ANALYSIS @ 4% dm	Life	Wealth	Advice	Net worth	Total
EV - 30 June 2016 @ 4% dm (as published)	**350.4**	**65.8**	**35.1**	**41.1**	**492.4**
Restatements/modeling difference	(1.1)	-	-	-	(1.1)
EV - 30 June 2016 @ 4% dm (restated)	**349.3**	**65.8**	**35.1**	**41.1**	**491.3**
FY16 final cash dividend	-	-	-	(16.5)	(16.5)
Internal capital transfers and dividends	13.0	(8.5)	-	(4.5)	-
Costs associated with Sony Life becoming strategic shareholders	-	-	-	(0.7)	(0.7)
Recognition of share based payments expense	-	-	-	1.0	1.0
ESP loans settled	-	-	-	1.0	1.0
Proceeds from sale of ESP shares vested/forfeited (net of tax)	-	-	-	5.2	5.2
Direct closure provision	-	-	-	(2.4)	(2.4)
Expected gain	25.3	4.3	2.3	0.4	32.3
Value of new business added	12.5	4.2	-	-	16.7
Impact of claims	(1.9)	-	-	-	(1.9)
Impact of discontinuances	(1.3)	(0.7)	-	-	(2.0)
Impact of maintenance expenses	(0.4)	(0.9)	(1.8)	-	(3.2)
Listing costs	-	-	-	(0.9)	(0.9)
FUMA mark to market	-	1.5	-	-	1.5
Other impacts	(0.3)	2.1	(1.5)	(0.3)	0.1
EV - 30 June 2017 @ 4% dm	**396.1**	**67.8**	**34.1**	**23.6**	**521.5**
ESP loans	-	-	-	36.8	36.8
Total EV Incl. ESP Loans	**396.1**	**67.8**	**34.1**	**60.3**	**558.3**
Franking credits	60.8	15.9	7.6	19.3	103.6
Total EV Incl franking credits and ESP loans	**456.9**	**83.7**	**41.7**	**79.7**	**661.9**

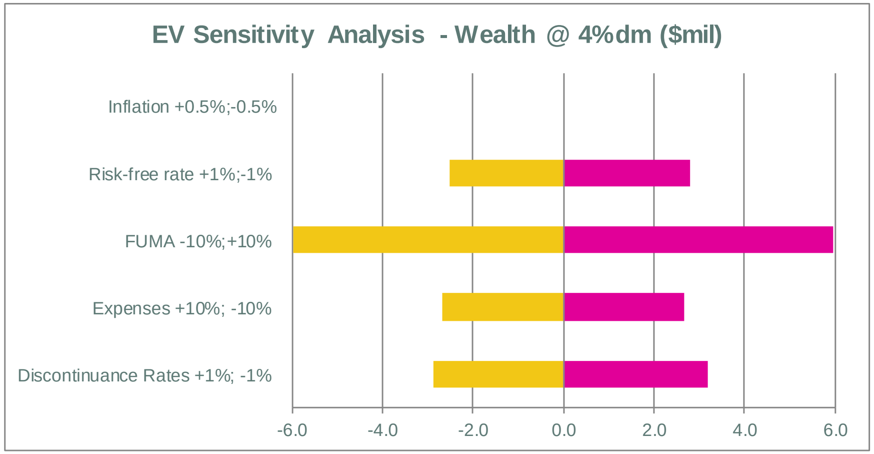
EV movement analysis commentary

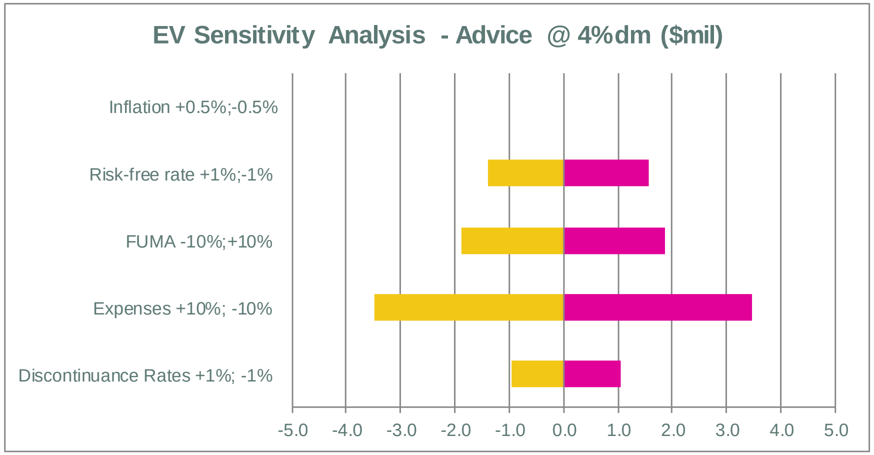
Reference	Impact	Reason for movement
Net capital applied	($16.5m)	• FY16 final cash dividend paid in September 2016 (-$16.5m). The Dividend Reinvestment Plan (DRP) was not operative for the FY16 final dividend.
Strategic review costs	($0.7m)	• The FY17 strategic review costs relate to the expenses incurred on the evaluation of strategic options for the potential change in major shareholder and Sony Life becoming a new strategic shareholder
ESP related items	$6.2m	• Movements in the Share Based Payments Reserve due to the treatment of the ESP expense in accordance with the accounting standards, ESP loans settled through the FY16 final dividend, ESP participant proceeds from the sale of renounceable rights attached to ESP holders in the FY16 capital raising and from ESP shares sold via off-market transfer in June 2017.
Direct closure provision	($2.4m)	• The FY17 costs provided for relating to the closure of ClearView's Direct business.
Expected gain	$32.3m	• Expected gain represents the expected unwind of the discount rate within the value of in-force and investment earnings on net worth.
VNB added	$16.7m	• The value added by new business written (Life insurance and Wealth Management products) over the period. The current value of new business is suppressed by the growth costs incurred. The acquisition cost overruns should decrease as the business grows, providing it with operating leverage. The Non-Advice (Direct Life) business had a negative value of new business (-$4.5m). This was exacerbated by a slow down in new business volumes given the refocus in strategy followed by the closure of the operation. LifeSolutions continues to be the key driver given increased scale and volumes, albeit impacted by the mix of business written (including commission type driven by the upcoming LIF reforms).
Claims	($1.9m)	• Adverse claims experience loss (after tax) of $1.9m (relative to planned margins) driven by the LifeSolutions portfolio (-$2.1m) partially offset by positive experience on the closed Direct books (+$0.2m) • The LifeSolutions adverse claims experience in FY17 includes the impact (-$2.6m) from the adoption of an enhanced actuarial claims reserving basis on the IP portfolio. • Claims assumptions have been updated to reflect increased projected cost of IP claims, offset by decrease in projected cost of lump sum claims (overall net immaterial impact).
Discontinuances	($2.0m)	• Life Insurance lapse impact was driven by higher-than-expected lapses for LifeSolutions (following the IP price increase). Lapses on Non-Advice reflecting an improvement given the books are now closed to new business. For Wealth business, discontinuance rates overall were close to expected, notwithstanding an increase in outflows in the Master Trust product (relative to FY16).
Maintenance expenses	($3.2m)	• Maintenance expense overruns versus the long-term unit costs assumed in the EV. Emerging life insurers invest and incur overhead costs ahead of "getting to scale". The expense rates assumed in the EV are based on longer term unit costs, as opposed to current "expense overrun" levels. As business gets to scale, these costs are progressively supported by business volumes that creates operating leverage. Expense overruns depress the EV growth initially; these are eliminated as scale is achieved, thereby increasing underlying profit margins on the in-force portfolio and removing the drag on the EV.
Listing expenses and interest expense	($0.9m)	• Expenses were impacted by the Group's listed overhead costs and line fee on corporate debt which are not allowed for in the Embedded Value. The Debt Funding Facility was settled in June 2016 by utilising the proceeds of the capital raising. Debt Funding Facility remains in place.
FUMA mark-to-market	$1.5m	• EV increased by $1.5m due to the net investment performance on FUMA, which 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.
Other impacts	($0.1m)	• Net impact of capital reallocations by segment, modelling enhancements (including assumption changes), restatements, timing effects and tax impacts of the policy liability discount rate effect in the period.

EV sensitivity analysis @ 4% DM[1]









Notes
1. Does not include the impact of management actions in response to sensitivities (for example, premium rate changes), or reinsurer response to sensitivities (for example, reinsurer rate changes).

Group net assets & capital analysis at 30 June 2017

Group Capital Position ($M)	Life	Wealth	Other	APRA Regulated Entities	Wealth	Financial Advice	ASIC Regulated Entities	All Regulated Entities	NOHC[2]/ Other	Group
Net Assets	330.5	13.0	3.9	347.4	7.5	18.7	26.2	373.6	42.1	415.6
Goodwill & Intangibles	(10.1)	(3.7)	-	(13.8)	-	(8.4)	(8.4)	(22.2)	(22.4)	(44.7)
Net Tangible Assets	**320.4**	**9.3**	**3.9**	**333.6**	**7.5**	**10.2**	**17.7**	**351.4**	**19.6**	**371.0**
Capital Base Adjustment:										
Deferred Acquisition Costs (DAC)	(272.0)	(0.2)	-	(272.2)	-	-	-	(272.2)	-	(272.2)
Other Adjustments to Capital Base	(0.1)	(0.1)	-	(0.1)	(0.1)	(0.0)	(0.1)	(0.2)	(0.4)	(0.6)
Regulatory Capital Base	**48.3**	**9.1**	**3.9**	**61.3**	**7.4**	**10.2**	**17.6**	**79.0**	**19.2**	**98.2**
Prescribed Capital Amount	(10.6)	(3.5)	(3.1)	(17.2)	(5.0)	(0.4)	(5.4)	(22.6)	-	(22.6)
Available Enterprise Capital	**37.7**	**5.6**	**0.9**	**44.1**	**2.4**	**9.8**	**12.3**	**56.4**	**19.2**	**75.6**
Internal Benchmarks										
Working Capital	(7.0)	(2.7)	(0.8)	(10.5)	-	-	-	(10.5)	(6.5)	(17.0)
Risk Capital[1]	(30.6)	(2.8)	-	(33.5)	(2.0)	(4.8)	(6.8)	(40.3)	(5.4)	(45.7)
Excess/ Deficit over Internal Benchmarks	**0.1**	**0.1**	**0.1**	**0.2**	**0.4**	**5.0**	**5.4**	**5.6**	**7.3**	**12.9**
Debt Funding Facility	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Capital Position	**0.1**	**0.1**	**0.1**	**0.2**	**0.4**	**5.0**	**5.4**	**5.6**	**7.3**	**12.9**

- Net capital surplus position across the Group is $12.9m at 30 June 2017 (prior to FY17 final dividend)
- Regulated entities have $5.6m of net assets in excess of their internal benchmarks as at 30 June 2017. 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 include a working capital reserve of $10.5m 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 include a further working capital reserve of $6.5m as at 30 June 2017, therefore totalling $17.0m set aside across the Group to fund anticipated new business growth over the medium-term
- ClearView is fully-capitalised with Common Equity Tier 1 capital to fund its current business plans and anticipated medium-term growth with some additional capital flexibility
- In July 2017, the Company entered into a new three year, $60m Debt Facility Agreement to provide future capital funding in the event that growth is materially above that currently anticipated, to meet the liquidity needs of the Group or should other opportunities arise. This replaced the $50m facility that was due to expire in December 2017

Notes

1. As at 30 June 2017, risk capital is held in regulated entities at 97.5% probability of adequacy (POA). Risk capital at 99% POA is held in the NOHC[2]
2. NOHC is a non operating holding company regulated by APRA under the Life Insurance Act.

Net worth reconciliation at 30 June 2017

Reconciliation Of Net Assets To Group Capital Position ($M)	Life	Wealth	Advice	Other	Total
Net Assets	330.5	20.5	18.7	46.0	415.6
- Less Goodwill and Intangible Assets (excl. Capitalised Software)	-	-	(8.4)	(22.4)	(30.9)
- Capital included in VIF	(302.0)	(12.5)	(2.5)	0.0	(317.0)
Net Worth	28.5	8.0	7.8	23.6	67.8
- Overhead & New Business Capital	(28.4)	(7.5)	(2.8)	(16.2)	(54.9)
Net Position	**0.1**	**0.5**	**5.0**	**7.3**	**12.9**

- 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)
- 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 Employee Share Plan (EPS) shares

PER SHARE CALCULATIONS

Year End 30 June 2017 ($M), (Unless Stated Otherwise)	FY17
Number of shares on issue	603.3
ESP shares on issue	56.2
Shares on issue to calculate NAV per share (A)	659.5
Net assets ($m)	415.6
ESP loans ($m)	36.8
Proforma net assets ($m) (B)	452.4
Fully diluted NAV per share = (B)/(A)	68.6 cents
Underlying NPAT ($m)	30.4
Fully diluted underlying NPAT per share[1]	4.88 cents
Reported NPAT ($m)	13.1
Reported diluted NPAT per Share	2.11 cents

- Accounted for as an option in accordance with AASB 2
- Limited recourse loan not reported as a receivable on balance sheet
- Loan repaid with cash if shares are “in the money”
- 56.2m ESP shares on issue and $36.8m loans receivable at 30 June 2017
- Underlying NPAT is the Board’s key measure of profitability and the basis on which dividends are determined
- Underlying NPAT of $30.4m, up 12% on FY16

Notes
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.