MARKET RELEASE

SYDNEY, 20 November 2018

CLEARVIEW WEALTH LIMITED 2018 ANNUAL GENERAL MEETING ADDRESSES TO SHAREHOLDERS

ClearView Wealth Limited (ASX: CVW, **ClearView**) will address shareholders today at its Annual General Meeting (**Meeting**) to be held at 10.00am at its offices located at Level 15, 20 Bond Street, Sydney, New South Wales.

In accordance with Listing Rule 3.13.3, attached is a copy of the Chairman's address and Managing Director's address that will be delivered at the Meeting.

ENDS

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About ClearView

ClearView is an ASX-listed diversified financial services company which partners with financial advisers to help Australians protect and build their wealth, achieve their goals and secure a comfortable financial future. The group's three business segments: Life Insurance, Wealth Management and Financial Advice are focused on delivering quality products and services.

Additional information is available at www.clearview.com.au

ClearView Wealth Limited
Annual General Meeting 2018

Addresses to Shareholders | 20 November 2018

Chairman’s Address

Mr Bruce Edwards, Chairman - ClearView Wealth Limited

On behalf of the Board, I would like to welcome you to our Annual General Meeting.

For the past six years, I have had the pleasure of working closely with the ClearView Board; Simon Swanson, Managing Director of ClearView; and the Group’s senior management team.

This year has been our most challenging yet, as the industry grapples with ongoing change and uncertainty resulting from several major inquiries including the Financial Services Royal Commission.

One major impact of the Royal Commission so far is that it has accelerated the exit of the large institutions from both life insurance and wealth management. We are seeing an unprecedented level of consolidation and this disruption is creating opportunities for ClearView to support professional advisers looking for an experienced, stable partner.

At this critical juncture, ClearView stands out as a strong company that’s committed to being around for a long time to meet its commitments to customers.

In a moment, I will hand over to Simon to expand on the current environment and the opportunities it presents but first I would like to provide an update on the Group’s capital position and related initiatives.

As at 30 June 2018, the Group held $14.7 million of capital reserves above internal benchmarks, prior to the payment of the FY18 final dividend.

In August, the Board announced a fully franked dividend of 3 cents per share and a Dividend Reinvestment Plan (**DRP**) with shares under the DRP to be issued at a fixed price of $1.05. Overall, the cash component of the FY18 dividend was $8.2 million, thereby reducing the surplus capital position by the same amount.

Crescent Capital and Sony Life participated in the DRP with Crescent fully participating and Sony Life participating to the maximum extent it could. In October, Crescent also acquired additional shares in ClearView on market, lifting its stake to around 41%. It is pleasing to have the longer term support of a committed substantial shareholder.

ClearView remains fully-capitalised with Common Equity Tier 1 capital to fund its current business plans and anticipated medium-term growth.

Given the growth and current scale of the business, ClearView is now in the position to explore alternative capital initiatives to improve the efficiency of its Balance Sheet. It is expected that a further announcement with regard to this will be made with the release of the half year result.

I would like to take this opportunity to thank Mr Satoshi Wakuya, General Manager, Head of Business Development Division for Sony Life for his counsel and contribution this past year. Last month, Mr Satoshi Wakuya decided to step down as a Director of ClearView and I wish him all the best.

I would now like to hand over to Simon.

Managing Director's Address

Mr Simon Swanson, Managing Director – ClearView Wealth Limited

Thank you Bruce.

This morning I want to talk about the current market environment, the challenges and opportunities it presents and how ClearView is positioned for continued growth. I will also provide an overview of key initiatives and touch briefly on ClearView's appearance at the Royal Commission.

A year ago, I stood here and spoke about the unprecedented amount of scrutiny, consolidation and disruption in the life insurance and wealth management industry, and 12 months on, it has only intensified.

This unparalleled activity will most certainly lead to once-in-a-generation change and it is being driven by four landmark inquiries and reports:

- Banking and Financial Services Royal Commission;
- Parliamentary Joint Committee (**PJC**) Report on the life insurance industry;
- Productivity Commission - Superannuation; and
- APRA Prudential Inquiry into the Commonwealth Bank of Australia (**CBA**).

It is hard to know exactly what changes lie ahead, making planning for the future challenging.

The industry will get some much-needed clarity in February when the Royal Commission is expected to release its final report.

Despite the uncertainty, ClearView remains committed to its core strategy of partnering with financial advisers to help more Australians protect and grow their wealth.

Our focus is on delivering quality products and exceptional service to customers, and expanding our distribution footprint by getting on more third party Approved Product Lists (**APLs**).

ClearView continues to push for open life insurance APLs across the industry which would give financial advisers the ability to freely choose the most appropriate solution for their clients, based on their personal circumstances, needs and goals. The industry has started to move in this direction and we are hopeful that this will lead to a substantial benefit for consumers, advisers and ClearView.

We also welcome the government's Protecting Your Super (**PYS**) package of reforms which will go some way towards addressing the imbalances and cross subsidises in group life insurance and help protect younger and low-balance super fund members from having their accounts eroded by unnecessary or excessive insurance premiums.

At a time when rising community expectations and standards are pushing institutions to put the best interests of customers ahead of profits, it was disappointing to see some insurers try to vote down the bill.

We believe the PYS reforms represent good public policy and ultimately we would like the opt-in requirement extended to all super fund members. Our hope is that the reforms will encourage more Australians to think about their personal financial needs and seek professional advice.

So how is ClearView positioned for change?

As a diversified financial services company with no material legacy, ClearView is very well positioned strategically. We are abreast of potential regulatory changes, such as vertical disintegration, and we have the ability to navigate these changes and seek out potential opportunities.

We continue to invest in our products and technology to drive efficiencies and make it easier for financial advisers to do business with us.

Ongoing enhancements to our life insurance platform, AQUA, coupled with the recent upgrade of our LifeSolutions product suite in October, ensure financial advisers can confidently recommend ClearView to their clients.

Also effective October this year, all ClearView product trauma definitions will operate on the same terms.

This means the same trauma terms are now applied to all ClearView customers, regardless of whether they took out cover with our antecedent NRMA Life in 1976 or bought a LifeSolutions policy yesterday.

We believe this is an industry-first.

In Wealth Management, we are rolling out enhancements to our wealth platforms including a range of new, low-cost model portfolios and sharper pricing on our full service wrap, WealthSolutions.

The repricing of WealthSolutions strengthens our competitive position in the market, following competitor price reductions and sharper customer attention on fees.

Trading update

In the business outlook section of our FY18 result, we noted heightened regulatory and media scrutiny and the potential for the Royal Commission hearings in September to negatively impact consumer sentiment in the short-to-medium term including overall industry sales volumes.

We also noted that there can be some claims volatility between periods and shorter term lapse impacts.

The uncertain regulatory environment, coupled with poor consumer sentiment, has led to weak new life insurance sales across the industry in the first quarter of FY19.

ClearView has also been affected by the challenges associated with these current, difficult market conditions.

ClearView new life insurance sales declined in the first quarter, down 12% on the previous corresponding period, albeit they had a significant improvement in October (to be up 6% on the previous year).

Irrespective of this, our inforce portfolio continues to record double digit growth given the size of new business as a proportion of our in-force book. Growth in the life insurance portfolio is the Group's key profit driver.

However, the impact of broad market uncertainty isn't confined to new business. We have experienced increased lapses, causing a $1.4 million after tax negative variance to our planned profit, in the four months to 31 October 2018. Furthermore, claims volatility has caused a $1.1 million after tax negative variance to our planned profit over the same period.

The LifeSolutions product upgrade and the upcoming repositioning and repricing of LifeSolutions, combined with the impact of the Life Insurance Framework and a review of certain distribution channels, is expected to improve lapse performance and retention progressively over time, which we hope to see start emerging in the second half of this financial year.

The repricing, which has been intentionally pushed out to February 2019, is expected to help with lapses in certain cohorts. Lapse rates are expected to fall in line with longer-term assumptions over time.

The price reductions in Wealth Management will also have an adverse profit impact but should significantly improve inflows from the second half of FY19. Flows in the first quarter of FY19 reflected a slowdown in volumes given competitor price positioning and our recent, short-term investment performance.

Overall, it's a tough operating environment.

Our expectation is that there will likely be continued solid growth in Underlying Net Profit After Tax for the full year result^. However, the first half result will be materially impacted (relative to the expected growth) by the adverse claims and lapse losses noted above and increased compliance and restitution costs in our advice business, which I will talk to shortly.

Our prior experience is that the market will bounce back to normalised growth, after a period of subdued growth and we maintain a positive outlook for the business over the longer-term.

Royal Commission

Turning for a moment to our appearance at the Royal Commission, ClearView has made detailed submissions to the Royal Commission which are available on the Royal Commission website.

I would like to reiterate that ClearView closed the Direct Life Insurance business in May 2017 and our top priority is to finalise our Direct Remediation Program which remains on track to be completed by 31 December 2018.

The direct costs of the Royal Commission are likely to be between $1.5 million - $2.0 million and will be separately reported below the line in the half year result.

There is no question that the Royal Commission and the other landmark inquiries I mentioned earlier have been very confronting for the entire industry.

It has put sales practices, conflicted remuneration and vertical integration under the microscope again, highlighting the inherent conflicts of interest that exist when an institution owns financial planning groups without the appropriate separation between product and advice including cross subsidisations between the two.

It is now widely speculated that there will be changes to the current licensing regime.

In our Financial Advice segment, we have experienced an increase in compliance and restitution costs, with $1.2 million of costs ($0.8 million after tax) being incurred in the first half of FY19. This program of work is also expected to be completed by the end of next month.

ClearView isn't alone in this.

We're seeing vertical disintegration across the industry with some institutions voluntarily selling or spinning off their wealth businesses.

At the same time many professional financial advisers are agitating for greater independence by leaving institutional dealer groups and gaining their own Australian Financial Services Licence (**AFSL**). In the past four years, more than 600 new AFSLs have been issued, according to CoreData.

To meet the needs of the growing number of self-licensed financial advisers and position ClearView to capture opportunities arising from structural change, we have this week launched a new licensee services offer.

LaVista Licensee Solutions gives financial advisers who want to hold their own AFSL but need support managing their licencing obligations, access to the award-winning dealer services provided by Matrix Planning Solutions and ClearView Financial Advice (**CFA**).

We believe consolidation inevitably leads to movement among staff and financial advisers, both in terms of licensees and product manufacturers. Our goal during this period is to continue to build our position as the logical choice for advice professionals, for both advice support and products.

In the short-to-medium term, there will be plenty of opportunities for ClearView to expand its relationship with existing financial advisers and establish new connections.

We are excited about the future but we also recognise that there are head winds and significant structural changes that we need to navigate.

Every financial services company must do their part to ensure a better deal for consumers. Internally, we have sharpened our commitment to our customers with enhancements to LifeSolutions, improved trauma definitions, fee cuts in Wealth Management and further developments are slated for early next year.

Our focus remains on delivering exceptional products and services to help more Australians secure a comfortable retirement and achieve their financial goals.

Thank you.

^Subject to lapse experience, claim volatility and investment market performance over the remainder of the financial year.

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