

MARKET RELEASE

SYDNEY, 25 February 2015

ClearView continues to deliver strong profit growth

- Underlying NPAT¹ of \$9.9 million, representing growth of 9% on the prior corresponding period
- Reported NPAT of \$7.7 million and NPATA² of \$12.2 million representing growth on the prior corresponding period of 114% and 65% respectively
- In-force life insurance premiums growth of 37%; \$101.4 million in-force premiums
- \$17m of life insurance new business premiums in the half year (growth of 32%)
- FUM growth of 9%; FUM of \$1.77 billion
- FUM positive net inflows of \$26 million in the half year
- Successful merger with Matrix; Combined dealer group metrics reflects 216 financial advisers, FUMA of \$7.4bn and Premiums Under Advice of \$160 million

ClearView Wealth Limited ("ClearView" or "the Company", ASX: CVW) today announced its results for the half year ended 31 December 2014.

ClearView is a specialist life, wealth and financial Advice business. As a non-bank aligned, Australian-owned life insurer with life and wealth licences, ClearView is a differentiated business with limited legacy issues. ClearView is positioning itself as a nimble challenger in the markets in which it operates.

Commenting on the half year result, Managing Director, Simon Swanson, said, "It is exciting to be part of a growing organisation such as ClearView as reflected by the performance of our business. The first half of the FY15 financial year included the successful merger and integration of Matrix, the upgrade to our LifeSolutions product range and the launch of WealthFoundations. ClearView continues to execute on its strategic plan and remains well positioned for continued growth with a supportive shareholder base."

For the half year ended 31 December 2014, ClearView produced an Underlying NPAT of \$9.9 million. Underlying NPAT has increased by \$0.8 million (+9%) compared with that for the half year ended 31 December 2013. After removing the impact of the expenses incurred in implementing the new wealth platform, launching the new WealthFoundations product and the merger with Matrix, ClearView produced an adjusted Underlying NPAT of \$11.3 million representing growth of 24% on the prior period.

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

² NPATA is reported net profit after tax adjusted to exclude the non-cash amortisation of acquired intangibles (not including capitalised software).

Numbers as at 31 December 2014, unless otherwise stated

This result reflects:

- Strong growth in life insurance resulting from the emergence of profit off the increased average in-force premiums over the year;
- Positive impact of a claims experience profit of \$0.1 million (after tax) relative to the expected claims cost. This positive claims experience variation follows positive claims experience in 1H FY14 of \$0.7 million;
- Life insurance lapse experience was higher than the rates assumed in the life insurance policy liability (determined at 30 June 2014), with an experience loss of \$0.2 million (after tax) in 1H FY15. This adverse lapse experience variation offset the positive claims experience and follows similar negative lapse experience in 1H FY14 of \$0.1 million;
- An increase in the cost base reflecting the investment in the business ahead of revenue to support the Group's growth strategy including the material investment in the wealth business in 1H FY15. This investment included the build out of a new contemporary wealth platform, launch of WealthFoundations and costs associated with commencing the project to migrate the Master Trust products onto the new platform. This had an adverse \$1.6 million Underlying NPAT impact in 1H FY15.
- Emerging life and wealth businesses invest and incur expenses ahead of "getting to scale". As the business gets to scale, these expenses are progressively supported by business volumes that create operating leverage. The expense overruns (investing ahead of earnings) had a significant negative Underlying NPAT impact in 1H FY15 of \$4.1 million (1H FY14: \$5.1 million).
- The merger and integration of Matrix in the half year period. Matrix contributed \$0.2 million to Underlying NPAT for the period from 10 October 2014. This included a one-off tax benefit of \$0.1 million. Matrix is not expected to contribute materially to Underlying NPAT in FY15.

The reported NPAT of \$7.7 million was impacted by amortisation of acquisition intangibles of \$4.5 million (NPATA of \$12.2 million in 1H FY15) and the (net of tax) deal and integration costs associated with the Matrix merger of \$1.2 million, partially offset by the (net of tax) positive effect of reduced long term discount rates on the policy liabilities of \$3.5 million for 1H FY15.

The strong growth in life insurance sales has continued, with in-force life insurance premiums growing to \$101.4 million as at 31 December 2014, an increase of 37% over the prior comparable period. Life insurance new risk premium of \$17.0 million was achieved for the first half (up 32%) driven off the back of the LifeSolutions product and the continued momentum of the direct business.

Funds Under Management and on ClearView platforms (FUM) increased 9% to \$1.77 billion, driven by positive investment markets with positive net flows of \$26 million in the six months to 31 December 2014. This predominantly reflects the successful introduction of the WealthFoundations product and the continued growth of WealthSolutions.

ClearView successfully completed the merger with Matrix on 10 October 2014. Furthermore, there has been growth in the self employed adviser model driven by recruitment of advisers into the ClearView dealer group. The expanded advice business footprint has the potential to deliver significant revenue synergies to ClearView given its market proven products.

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About ClearView Wealth Limited

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

Appendix 1 – 1H FY15 Financial Highlights

\$m (unless stated otherwise)	1H FY15	1H FY14	% Change
Underlying NPAT ¹ (\$m)	9.9	9.1	↑ 9%
Underlying ¹ EPS (Fully Diluted) (cents)	1.89	2.17	↓ 13%
Adjusted Underlying NPAT ² (\$m)	11.3	9.1	↑ 24%
Adjusted Underlying ¹ EPS (Fully Diluted) (cents)	2.15	2.17	↓ 1%
NPATA ³ (\$m)	12.2	7.4	↑ Large
Reported NPAT (\$m)	7.7	3.6	↑ Large
Reported EPS (Fully Diluted) (cents)	1.47	0.87	↑ Large
Life Insurance New Business (\$m)	17.0	12.9	↑ 32%
In-force Premium (\$m)	101.4	73.8	↑ 37%
Funds Under Management (FUM) (\$bn)	1.77	1.63	↑ 9%
FUM Net Flows (\$m)	26	5	↑ Large
ClearView Financial Advisers (#)	216	109	↑ Large
Embedded Value ⁴ (\$m)	369	359 ⁴	↑ 4%

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

² Adjusted UNPAT is underlying net profit after tax of \$9.9m adjusted for the impacts of the investment in wealth (\$1.6m) and consolidation of Matrix for the first time (-\$0.2m).

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

⁴ EV at 4% discount rate risk margin, excluding a value for future franking credits and ESP loans. EV for prior period is as at 30 June 2014. The % movement is relative to the 30 June 2014 EV adjusted for net capital applied (-\$7.9m) during the period and the impact on EV of the Matrix merger (+\$4.7m).