Market Release

21 October 2020

ClearView announces wholesale subordinated notes issue

ClearView Wealth Limited ("ClearView") today announces the launch of a new subordinated notes issue to wholesale investors ("ClearView Subordinated Notes"). The investor presentation relating to ClearView Subordinated Notes is attached.

The ClearView Subordinated Notes will be fully paid, unsecured debt obligations of ClearView. ClearView is seeking to raise $40-75 million.

The principal terms of the ClearView Subordinated Notes are as follows:

- The notes will have a notional face value of $10,000 per instrument, with a minimum subscription amount of $500,000 unless the notes are otherwise issued in a manner which does not require disclosure in accordance with Part 6D.2 or Part 7 of the Corporations Act.
- Subject to satisfaction of a solvency condition, interest will be payable quarterly and based on a floating rate (three-month BBSW + a margin in the 600 area).
- The notes will mature in November 2030 and, subject to APRA's prior written approval and certain other conditions, the notes are callable from November 2025 or if certain tax or regulatory events occur.
- If a non-viability trigger event occurs, the notes may be converted into ordinary shares of ClearView or written-off.
- Assuming a non-viability trigger event has not occurred, the notes will be subordinated to senior creditors.

There are risks associated with an investment in ClearView Subordinated Notes. It is important that wholesale investors read the Information Memorandum for a description of all terms of the notes and some of the risk associated with an investment in ClearView Subordinated Notes before making a decision to invest in ClearView Subordinated Notes.

The notes are not being offered to retail investors and are not issued under a prospectus.

The margin will be determined by a bookbuild process.

ClearView expects to use the net proceeds of the issue for general corporate and/or capital management purposes, including to repay certain existing indebtedness of ClearView and to fund or support the funding of tier 2 capital of a regulated entity within the ClearView Group.

NAB is the lead manager for the notes issue.

King & Wood Mallesons is acting as legal adviser to ClearView in connection with this issue.

ENDS

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Approval of announcement

The Board of ClearView has authorised the release of this announcement and the attached investor presentation to the market.

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.

For more information visit **clearview.com.au**

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ClearView
Proposed Issue of Subordinated Notes

Investor Presentation

21 October 2020

Disclaimer

IMPORTANT NOTICE AND DISCLAIMER

Summary information

This investor presentation (**Presentation**) has been prepared by ClearView Wealth Limited (ACN 106 248 248) (**ClearView**) in connection with the offer of ClearView subordinated notes (**Notes**) (**Offer**) and contains summary information about ClearView and its subsidiaries and its activities as at the date of this Presentation.

The information contained in this Presentation or subsequently provided to the recipient, whether orally or in writing by, on behalf of ClearView or any of its directors, officers, employees, agents, representatives and advisers (the **Parties**) is provided to the recipient on the terms and conditions set out in this notice.

The information in this Presentation is general background information and does not purport to be complete or to provide all information that an investor should consider when making an investment decision, nor does it contain all the information required in a disclosure document or prospectus prepared in accordance with the requirements of the Corporations Act 2001 (Cth) (**Corporations Act**). The Offer is being made under a preliminary information memorandum that will be available on 21 October 2020 (**Preliminary IM**). This Presentation should be read together with the Preliminary IM and in conjunction with ClearView's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

Restrictions on distribution and use: professional and sophisticated investors only

This Presentation is not intended for distribution or use in any jurisdiction where it would be contrary to applicable laws, regulations or directives and does not constitute a recommendation, offer, solicitation or invitation to invest. In particular, no action has been taken which would permit an offering of the Notes in circumstances that would require disclosure under Parts 6D.2 or 7.9 of the Corporations Act and the Notes may only be subscribed for, purchased by or otherwise dealt in by professional or sophisticated investors. This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to, or for the account or benefit of, any US person (as defined in the US Securities Act of 1933).

Section 309B of the Securities and Futures Act (Chapter 289) of Singapore

The Notes shall be "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in the Monetary Authority of Singapore (**MAS**) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Future performance

This Presentation contains certain forward-looking statements, which are identified by words such as 'may', 'could'', 'intends' and similar words, that involve risks and uncertainties. The forward-looking statements contained in this presentation involve known and unknown risks and uncertainties and other factors beyond the control of ClearView, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Except as required by law, ClearView assumes no obligation to update or revise such information to reflect any change in expectations, beliefs, hopes, intentions or strategies. No representations, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this Presentation will actually occur.

Not investment advice

This Presentation is not a recommendation to acquire Notes or to invest in ClearView. The information contained in this Presentation is not investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used as the basis for making an investment decision.

Pro-forma financial information

ClearView uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These measures are referred to as non-IFRS financial information. ClearView considered that this non-IFRS financial information is important to assist in evaluating ClearView's underlying performance. The information is presented to assist in making appropriate comparisons with prior periods and to assess the underlying performance of the business.

Disclaimer

While every care has been taken in preparing this Presentation, to the maximum extent permitted by law, ClearView, and its related bodies corporate, officers, employees and representatives (including agents and advisers), make no representation or warranty, express or implied, as to the currency, accuracy, completeness or reliability of the information contained in this Presentation. To the maximum extent permitted by law, no person, including ClearView, related bodies corporate, officers, employees and representatives (including agents and advisers), accepts any liability or responsibility for any expenses, losses, damages or costs incurred by an investor and the information in this Presentation or any communication (oral or written) about or concerning it being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

Agenda

Offer summary

FY20 result and FY21 Q1 Market Update

Embedded Value and Capital Position 30 June 2020

COVID-19 response

CVW Group strategy

About ClearView Subordinated Notes

Offer summary – Indicative term sheet

Key Terms	Proposed Terms for Wholesale Issue
Issuer	ClearView Wealth Limited
Market Volume	A$40-75 million
Instrument	Subordinated and Unsecured Debt
Indicative Margin at issue	Three month BBSW + 600 area
Term to maturity	10 years
Call Date	5 years
Issuer rating at issue date	Long-Term Issuer Default Rating (IDR) of 'BBB' from Fitch
Issue Documentation	Information Memorandum
Non-Viability Trigger	Yes – conversion into ClearView Wealth Limited ordinary shares
Cumulative	Yes
Investor Groups	Professional & Sophisticated Investors
Minimum Investment	$500,000
Denominations	$10,000
Settlement	Austraclear
Early Redemption	Tax or Regulatory Event (and on fifth anniversary of issue date) – at Issuer's option
Ranking	Subordinated to all senior obligations[1]. Ranking ahead of preferred securities and ordinary equity. Subject to conversion on a Non-Viability Trigger Event[2].

1. Senior obligations means all creditors of the issuer other than, Holders, Pari Passu Subordinated Creditors, and Junior Subordinated Creditors.
2. If a Non-Viability Trigger Event occurs, the notes must be converted into Ordinary Shares, so Holders would have a claim as an ordinary shareholder in ClearView. If for any reason Notes are not converted following a Non-Viability Trigger Event, they will be written-off, which means that all rights in respect of the Notes will be terminated and Holders will not have their capital repaid.

NOTE: Capitalised expressions in this presentation which are not otherwise defined have the meanings given to them in the terms of the Notes or in ClearView's 2020 Annual Report.

FY20 result and FY21 Q1 Market Update

Financials – FY20 Result

After Tax Profit by Segment, $M	FY20 $M	FY19 $M	% Change[6]	2H FY20 $M	1H FY20 $M	% Change[6]
Life Insurance	16.7	23.8	(30)%	8.0	8.7	(8)%
Wealth Management	3.6	3.6	0%	1.9	1.7	12%
Financial Advice	2.3	1.0	130%	1.7	0.6	Large
Listed	(2.0)	(1.5)	33%	(1.3)	(0.7)	86%
Business Unit Underlying NPAT[1] Prior to Claims Assumption Changes	**20.6**	**26.9**	**(23)%**	**10.3**	**10.3**	**-**
Claims assumption changes	(5.9)	(1.8)	Large	(5.9)	-	Large
Reported Underlying NPAT[1]	**14.7**	**25.1**	**(41)%**	**4.4**	**10.3**	**(57)%**
Policy liability discount rate effect[5]	2.2	6.6	Large	2.6	(0.4)	Large
Amortisation of acquired intangibles	-	(1.2)	Large	-	-	Large
Impairments[2]	(2.6)	(18.9)	Large	(2.6)	-	Large
Cost out program implementation costs	-	(3.8)	Large	-	-	Large
Other costs[3]	(1.2)	(3.8)	Large	(1.2)	-	Large
Reported Profit After Tax	**13.1**	**4.0**	**Large**	**3.2**	**9.9**	**Large**

1. Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effect of changing discount rates on insurance policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases.
2. Impairments:
   - FY20 – Impairment to receivables from ClearView Retirement Plan (CRP) due to write down of Deferred Tax Asset (DTA) in CRP ($2.6m)
   - FY19 – Impairment related to certain software development costs (obsolete or reduced functionality) ($6m) and the carrying values of goodwill and client books in the Financial Advice cash generating unit ($12.9m)
3. Other Costs:
   - FY20 - related to costs associated with the HUB24 transaction ($1.2m). Further costs to be incurred in FY21 as project progresses.
   - FY19 - related to costs associated with Direct Remediation Program ($0.9m), Royal Commission costs ($1.5m) and retention bonus payments paid to key individuals in September 2018 ($1.4m)
4. Not used
5. The policy liability discount rate effect is the result of changes in the long-term discount rates used to determine insurance policy liabilities and the incurred IP disabled lives claims reserves. The life insurance policy liability (based on AIFRS) and IP incurred disabled lives reserves are discounted using market discount rates that typically vary at each reporting date and create volatility in the policy liabilities and the disabled lives claims reserves, and consequently, earnings. ClearView reports this volatility separately
6. % movement, FY19 to FY20, 2H FY20 to 1H FY20, unless otherwise stated

FY20 Result reflects tough market conditions….

- Underlying NPAT[1] of $14.7m (↓41% or ↓$10.4m); Reported NPAT of $13.1m (↑230%)
  - Decline in profitability driven by poor underlying claims performance in life insurance segment (↓$12.5m); and
  - Material changes made to claims assumptions in FY20 including an allowance for shorter term overlays to reflect expected COVID-19 related claims (↓$5.9m)
- But result should be viewed in light of broader industry performance and extremely difficult market conditions:
  - Material life insurance industry losses of $1.23bn[4] on IP[2] portfolios in year to 30 June 2020
  - COVID-19 impacts likely to drive a further increase in IP[2] claims from secondary economic impacts of pandemic (and social and health challenges)
  - Addressable IFA market is becoming larger with open APLs but being obscured by irrational competitor pricing, shrinking IFA life sales and unsustainable product features
- To address these industry wide issues, APRA has intervened[5] to start forcing structural change including:
  - Banned sale of certain IP[2] products[3] that were drivers of poor industry performance
  - Required Pillar 2 capital charges on all life insurance companies[3]
  - Required DI action plans (response) from all industry participants to address industry wide structural issues

Notes

1. Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effect of changing discount rates on insurance policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases.
2. IP is individual income protection or Individual Disability Income Insurance
3. Agreed value IP products are no longer permitted to be sold from 31 March 2020; Pillar 2 capital charges on 1 October 2020 on all market participants that sell IP products- pre impacts of COVID-19 were intended to be implemented by 31 March 2020
4. $1.23bn of losses in year to 30 June 2020. Source: APRA Quarterly Life Insurance Performance statistics for June 2020
5. APRA IDII review across all life insurance and friendly societies that offer IP products

Key responses to operating environment

- ClearView has acted swiftly to address challenges presented by both deteriorating industry profitability and COVID-19
- ClearView's proactive response in FY20 included:
  - Ceased sale of agreed value contracts earlier than required by APRA – 12 March 2020
  - Launched new style IP[1] product in March 2020
  - Repriced LifeSolutions portfolio - commenced in April 2020 (on average 15% increase in prices) – focused on sustainability of margins
  - Shifted focus to policy retention to manage price changes and COVID-19 impacts, including providing alternatives to customers to improve premium affordability
  - Changed lapse assumptions to allow for 'shock' lapses from pricing increases and secondary economic impacts from COVID-19
  - Increased focus on claims management, including resourcing and assessment of automation of systems (over time) to improve case management outcomes
  - Changed claims assumptions to reflect both increased claims and reinsurance costs, but also potential impacts from COVID-19
  - Reduced cash costs of the business by 13% (↓$11.5m)

Notes

1. IP is income protection or Individual Disability Income Insurance

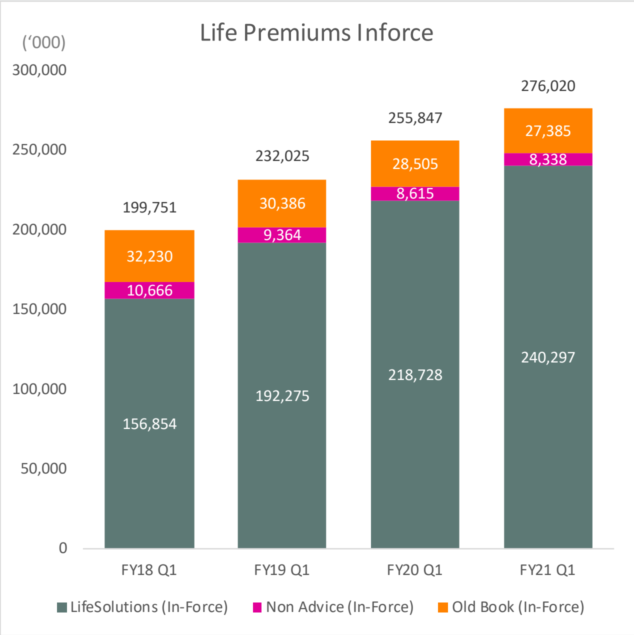
Q1FY21 trading result driven by strong claims performance

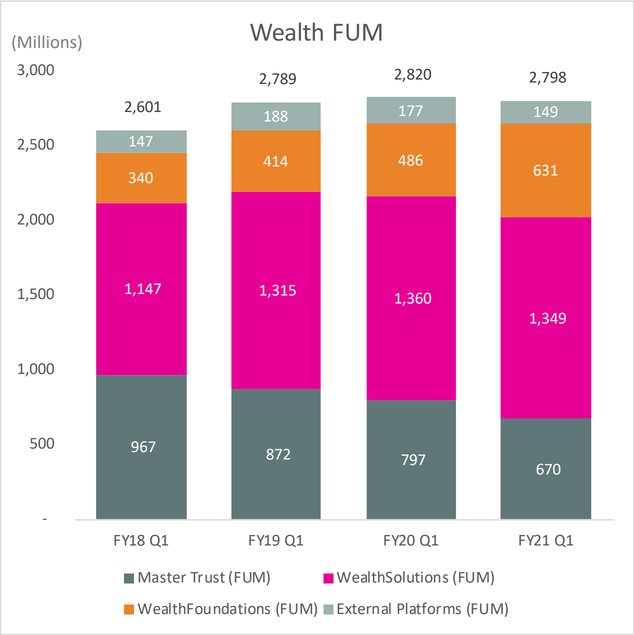
- Underlying NPAT[1], the Board's key measure of Group profitability, increased 35%[4] to $6.9m[5] in Q1 FY21 and reflects:
  - Continued growth of in-force life insurance portfolios to $276.0m[6] (↑8%);
  - Material improvement in profitability[2] driven by strong underlying claims performance in life insurance segment (↑$1.7m claims experience profit[5]);
  - Lapses slightly higher than expected but retention strategies remain in place and taking effect (↓$0.3m lapse experience loss[5]);
  - Performance measured relative to material changes to claims and lapse assumptions including an allowance for potential COVID-19 impacts;
  - COVID-19 impacts likely to drive a further increase in IP[3] claims across the industry from secondary economic impacts of pandemic (and social and health challenges).
- Strong claims performance in Q1 FY21 driven by[2]:
  - LifeSolutions IP[3] portfolio - $1.1m claims experience profit[5] - lower claim numbers than expected coupled with an increased focus on claims management and resourcing to improve IP claims outcomes;
  - Non-advice closed portfolios (lump sum) - $1.1m claims experience profit[5] – can reflect statistical volatility given size and nature of portfolio;
  - Partially offset by LifeSolutions lump sum claims experience loss ($0.5m)[5] primarily from TPD and Trauma claims. Death claims are broadly in line with expected.

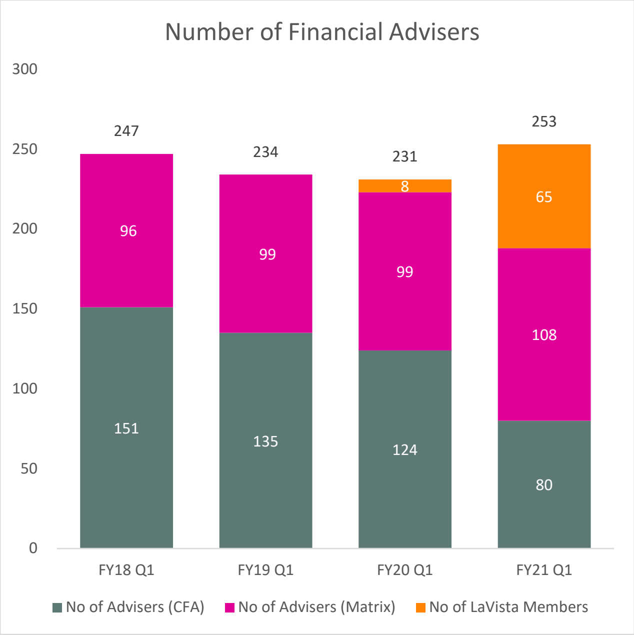
Notes

1. Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effect of changing discount rates on insurance policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases.
2. Relative to material changes made to claims and lapses assumptions and compared to FY 20 claims experience losses previously reported based on previous assumptions.
3. IP is individual income protection or Individual Disability Income Insurance.
4. Q1 FY21 vs Q1 FY20 - when comparing between periods there may be some timing differences on a quarterly basis particularly in respect of expenses and related items.
5. Based on unaudited 30 September 2020 management accounts.
6. As at 30 September 2020

Q1FY21 Update: ClearView has performed at or above expectations in the past quarter







Business Unit Profit and Loss ('000)	FY18 Q1	FY19 Q1	FY20 Q1	FY21 Q1
Life Insurance	4,317	6,263	4,904	6,690
Wealth Management	925	860	707	405
Financial Advice	396	(195)	(159)	232
BU Operating Earnings (after tax)	**5,638**	**6,928**	**5,452**	**7,327**
Listed Entity and Other	(293)	(169)	(214)	(275)
BU Total Operating Earnings (after tax)	**5,345**	**6,760**	**5,238**	**7,051**
Interest expense on corporate debt (after tax)	(76)	(88)	(142)	(199)
BU Underlying NPAT	**5,270**	**6,672**	**5,096**	**6,852**

Notes

1. **Business Unit Profit and Loss:** When comparing between periods there may be some timing differences on a quarterly basis particularly in respect of expenses and related items. Based on 30 September 2020 unaudited management accounts.

Business is on track in Q1FY21 to meet its medium-to-long term performance improvement objectives

ClearView

- ClearView Q1FY21 result:
  - Reiterates strong foundations for materially improved performance - Group Underlying NPAT[1] guidance of \$20m-\$24m[2] in FY21;
  - FY21 is a base transitional year as the industry starts to shift to rational pricing and sustainable product features which will underpin improvements in underlying profit margins and return on capital;
  - ClearView's current actions to build customer loyalty, simplify and improve products, and invest in technology are focused on ensuring ClearView is easy for advisers and customers to do business with;
  - This strategy is expected to underpin medium-to-long term performance improvement objectives.
- ClearView remains focused on maintaining its strong Balance Sheet and recurring revenue base:
  - Net shareholder cash position of \$281m[3] - shareholder capital conservatively invested;
  - Proceeds from proposed issue of Subordinated Note intended to be used to repay certain existing indebtedness and to fund or support the funding of Tier 2 Capital of ClearView Life.

Notes

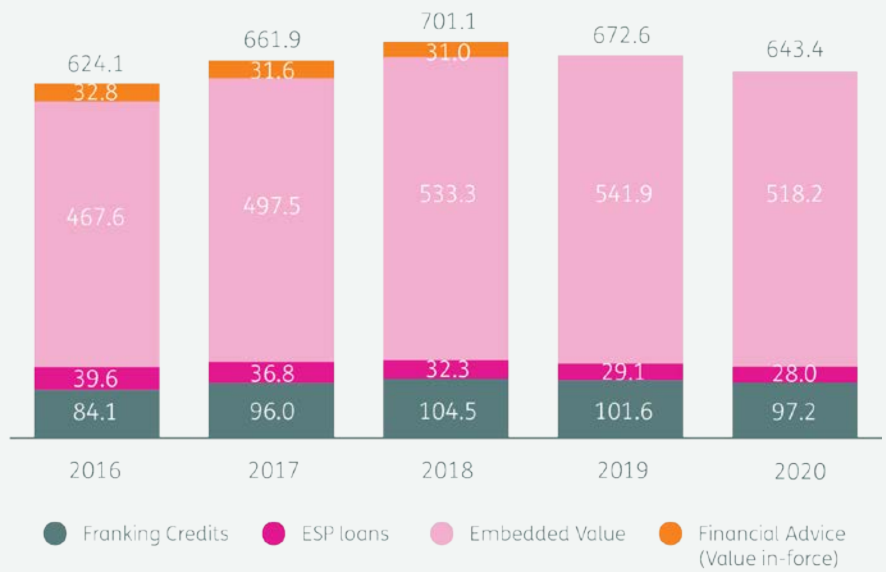
1. Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effect of changing discount rates on insurance policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases.
2. Key potential impacts that are critical to achievement of guidance is repricing and secondary economic impacts of COVID-19, in particular flow on effects to IP claims and affordability of premiums. While estimates and allowances have been made in the updated claims and lapse assumptions used, given fluidity of COVID-19 pandemic and operating environment, potential impacts from any further deterioration in economic conditions or unanticipated delays in development of a vaccine, actual experience relative to the revised assumptions adopted will need to be closely monitored.
3. As at 30 September 2020 includes receipt of \$74m from Swiss Re under the terms of the incurred claims treaty

Embedded Value and Capital Position

30 June 2020

Embedded Value

Embedded Value[1] at 4% Discount Rate Margin



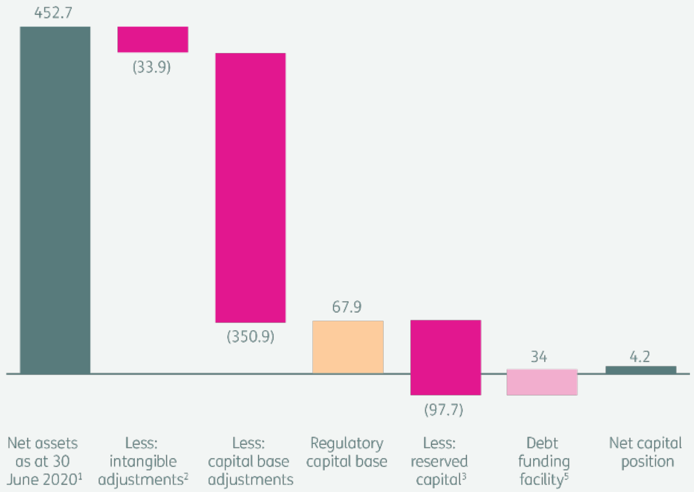
- Embedded Value (EV)[1] (including ESP loans and franking credits) of $643m; 95.3 cents per share
  - Based only on cash flows from in-force portfolios - excludes value of any future growth potential
  - FY20 includes material changes in claims and lapse assumptions (including COVID-19 overlays)[2]
  - Has been calculated at a 6% discount rate (4% discount rate margin above the long-term risk free rate adopted of 2%). This is consistent between FY19 and FY20. Discount rate margin represents the discount rate risk margin above the assumed long term risk free rate
  - EVs include a value for future franking credits, accrued franking credits and Employee Share Plan (ESP) loans
  - From June 2019 onwards, no value of in-force is calculated for the Financial Advice business

Notes

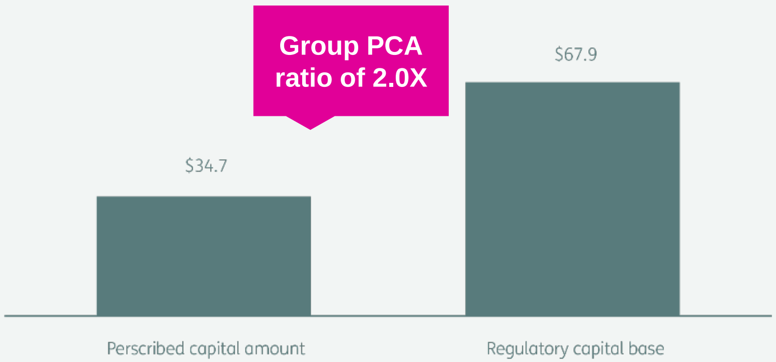
1. The EV has been calculated at a 4% discount rate margin. Discount rate margin represents the discount rate risk margin which refers to the margin above the assumed long term risk free rate. The long-term risk free rate adopted for the FY20 EV is 2% (June 2019: 2%)
2. Key assumption changes at 30 June 2020 included in EV calculations: Claims assumptions including an assessment of potential impacts from COVID-19. Shock lapse assumptions been built into the EV, incorporating effects of the April 2020 price increases and COVID-19 overlays. This is in respect to price increases expected across the portfolio and potential lapses from customers which have had a detrimental impact from the economic impacts associated with COVID-19 Further shock lapses are also allowed for with respect to further proposed rate changes from May 2021 with partial benefits assumed from the retention program over the following 12 months thereafter. Further planned rate changes from May 2021 of 7% on average across the LifeSolutions portfolio and 5-10% on closed portfolios have been allowed for in policy liabilities and EV calculations at 30 June 2020. The increases in reinsurance premiums (for business sold prior to 1 March 2019) and costs associated with the incurred claims treaty have been allowed for in the EV calculations. This will be effective for policies renewing from 1 March 2021

Capital position at 30 June 2020

Group Capital Position Bridge - $m



Regulatory Capital Coverage - $m



Commentary

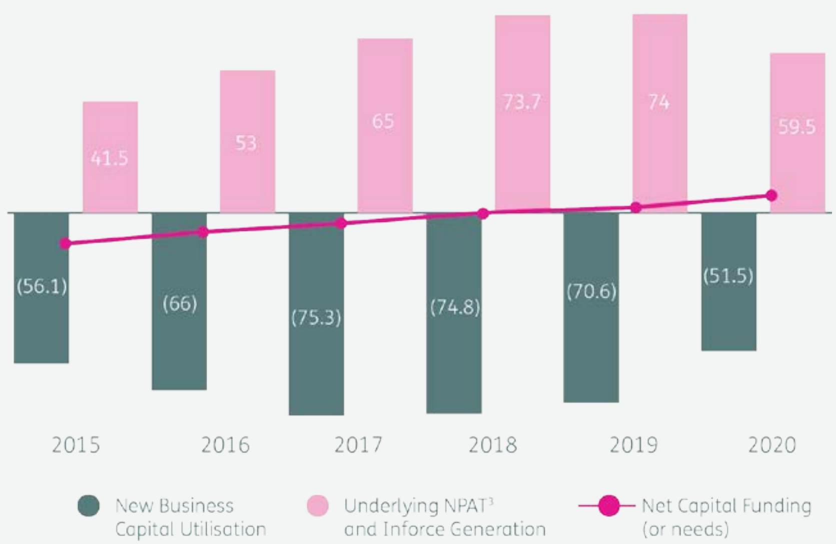
- Capital base adjustments include removal of deferred acquisition costs ($347m) that are not permitted to be counted in the regulatory capital base
- Intangible adjustment[2] includes the removal from the capital position of the carrying value of CRP receivable ($15.5m) and goodwill/intangibles ($18.5m)
- Net capital position above the internal benchmarks at 30 June 2020 of $4.2m across the Group
    - Includes $34m drawn down under debt facility[5]
- Proceeds from issue of Subordinated Notes is intended to be used to repay at least part of the debt and to fund or support regulated funding requirements of ClearView Life from time to time
- On-market buy-back program is on hold; no FY20 final dividend declared - in line with supervisory guidance
- Pillar 2 capital charge to be in place for ClearView Life from 1 October 2020
- Incurred claims treaty for income protection now in place (signed post Balance date) that removes reinsurance asset concentration risk issue[4]

Notes

1. Net Asset Value as at 30 June 2020 excluding ESP Loans. Net assets includes the deferred acquisition costs (DAC) component of insurance policy liabilities.
2. Intangible adjustments relate to goodwill, acquired intangibles and capitalised software. It also includes a $15.5m asset for tax benefits within the ClearView Retirement Plan (CRP) relating to insurance premiums paid via rollover. There is currently not sufficient taxable income in the CRP to utilise these tax benefits. While strategies to utilise the carried forward losses in the CRP are in progress there are risks and uncertainties involved. Furthermore, a project for the CRP (part of a broader wealth strategy) is well progressed.
3. Reserved capital includes the minimum regulatory capital, risk capital which is additional capital held to address the risk of breaching regulatory capital and a working capital reserve (if applicable) held to support the capital needs of the business beyond the risk reserving basis.
4. ClearView has implemented an incurred claims treaty with Swiss Re for lump sum and income protection business, where claims (including reserve components) are paid when a claim is incurred which reduces the concentration risk exposure. As a result of entering into the new income protection treaty, ClearView is winding down the limits on the $70 million irrevocable letter of credit issued by a major Australian bank on behalf of Swiss Re. ClearView will be able to increase the dollar limit on the letter of credit in the future, subject to Swiss Re having sufficient capacity at that time. There is no Asset Concentration Risk charge under LPS 117 relating to the Swiss Re exposure as at 30 June 2020.
5. The Debt Facility is repayable on 1 April 2024. $60m of the debt facility has been drawn down as at 30 June 2020.

Underlying capital generation

Underlying Capital Generation[1] - $m



Notes

1. Excluding costs considered unusual to ordinary activities in each relevant financial year as disclosed as part of full year results, tax impacts due to the interest rate effect on policy liabilities and growth in regulatory and ICAAP reserves.
2. Deferred acquisition costs are the upfront costs associated with policy acquisition that are collected via the premiums from policyholders over the life of the policy.
3. Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effect of changing discount rates on insurance policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases.
4. Before allowances for COVID-19, Pillar 2 requirements and CRP tax benefits issue

Commentary

- ClearView generates positive cash flows from in-force portfolios which is subsequently reinvested into new business generation:
  - Now achieving underlying self-funding capability[4]
  - New Business capital utilisation is related to upfront costs associated with policy acquisition that is collected via premiums over life of the policy – converts to cash over time subject to lapse risk. These are referred to as deferred acquisition costs (DAC)[2]
  - In-force capital generation reflects a combination of the Underlying NPAT[3] achieved and DAC[2] released (collected) from the in-force portfolios in a particular financial year
  - Reduced capital needs over time reflects growth from in-force portfolio given increased scale of business from start up phase
  - Capital needs from a group perspective are driven by need to replace at least part of the debt with a permanent capital solution ($34m). Furthermore, part of the Subordinated Note issue will also be used to fund or support the regulated funding requirements of ClearView Life

COVID-19 Response

COVID-19 Response

Focused efforts around six priorities

Protect our people and customers	• Monitoring and implementation of national health guidelines – communicate with full transparency • Provided assistance to customers – premium waivers, suspension of cover, accessibility for health workers and capping of certain cohorts of IP price increases • Successfully implemented the business continuity plan in March 2020 • Asked all our employees to work from home in order to ensure their health and safety • This occurred relatively seamlessly with no material disruption to our operations or service
Model our capital exposure, stress test P&L and liquidity	• Assessed certain stress test scenarios • Projections included a 'Base' (Pre-COVID-19) case, a 'Plausible COVID-19' case (reasonably foreseeable, conservative scenario), and a 'Severe COVID-19' case (severe scenario) • Stress scenarios considered business impacts (both capital and profitability) from COVID-19 • Regulatory capital position appears resilient to each of these scenarios • These continue to be closely monitored with scenarios updated as part of the Business Plan process – four key environmental factors were considered as part of this process
Defend against revenue declines	• Take a customer centric view to this situation to ensure we build trust, loyalty through and beyond this crisis • Pivot resources to pockets of need including lapses and claims management in the environment • Shifted focus to policy retention, including providing alternatives to customers to improve premium affordability
Stabilise operations to 'new normal'	• Crisis Management Team and Board are meeting regularly to monitor the situation and are well prepared to take further corrective or remedial actions as required should situation deteriorate beyond stress scenarios • Stabilise services, appropriately manage lapses and claims • Increased adviser engagement • Build operational contingency plans for all aspects of business • Front line facilities, costs, technology
Conserve capital and cash flow	• No FY20 bonuses across the business; no increases in fixed remuneration in FY21 • ClearView does not intend to undergo any on-market share buy-back activity given the current environment and market conditions • No FY20 final dividend – APRA has requested that life insurers consider limiting discretionary capital distributions • $60m debt funding facility extended to 1 April 2024 • Tier 2 Subordinated Note issue actively under consideration (longer term capital solution) • Expenses closely monitored and opted into JobKeeper program

Play Offence, not just defence	• Define how we will outperform through and beyond the crisis
	   • Product/service/customer investments
	• Prepare for 'bounceback' and recovery
	   • FY21 is a base transitional year with a focus on sustainability of our life business
	• Plan for and leverage a 'leap-frog' change in customer behaviours – reset of strategy to ClearView of the future

ClearView Group Strategy

FY21 is a base transitional year…with a focus on profitable, sustainable growth of our life business

FY21 key focus areas: customer retention, effective claims management, pricing, product design, pricing and risk transformation…

Retention

- Build customer loyalty by offering best sustainable alternatives
- Maintain strong adviser relationships with aligned view of sustainability
- Increase engagement and strengthen relationships with customers
- Focused on service and enhanced customer retention initiatives

Pricing and Product Design

- Pricing changes implemented April 2020 (flows through on policy renewal) – focus on profitable segments[1]
- Changes to product design and features – launch of IP60 product
- APRA IDII sustainability measures including APRA DI action plan
- Build out of WealthFoundations product and integration into life insurance

Building Customer Loyalty and Sustainable Products

Claims

- To best assist customers in their time of need
- Optimise resourcing and case management - IP specialists supported by external partners
- Implement analytics and early intervention techniques to improve IP claims outcomes (return to work)
- System automation and investment

Reinsurance and Capital

- IP incurred claims treaty implemented
- Permanent capital solution under investigation – Tier 2 Capital
- Reinsurance price changes to ensure adequate margins earned across the supply chain
- IP product redesign in conjunction with reinsurer

Notes
1. Further planned rate changes from May 2021 of 7% on average across the LifeSolutions portfolio and 5-10% on closed portfolios have been allowed for in policy liabilities and EV calculations at 30 June 2020.

Our mission is to deliver effective, sustainable products and services while being easy to do business with for financial advisers and customers

ClearView

ClearView Today: Sustainability of the Life Insurance Business

Focused execution of management plans for: Retention, claims, pricing, product design, reinsurance, capital and risk management

Life for Tomorrow: The Path to the ClearView of the Future

Design, Build & Implement New Customer Solutions on an integrated end-to-end PAS*

Customer

Wealth for Tomorrow: Accelerating Wealth as ClearView's Growth Engine

Grow the wealth business and bring diversification and scale to ClearView of the Future

Financial Advice: Implement Path to Parity

Grow an independently sustainable & profitable financial advice business

Governance | Risk | Compliance

People | Culture

Technology

*Policy administration system

That leads us on the path to the ClearView of the Future….

ClearView

Life Insurance

- Design, Build & Implement New Customer Solutions on an integrated end-to-end PAS*
- Deep understanding of our customer needs
- Combined sales effort – wealth and life
- Industry shifts (over time) to rational competitor pricing, increasing life sales and sustainable product features
- Leads to improvement in underlying profit margins and return on capital

Wealth Management

- Operate in centre between industry funds and wrap platforms
- Target advisers who write both life insurance and wealth management
- Simplicity, transparency and efficiency are the hallmark of our product solutions
- WealthFoundations is well positioned to capitalise on need for financial advisers to drive efficiency

ClearView of the Future

Financial Advice

- Strategic Advice to middle to upper income customers
- Best in class systems
- Effective risk management capability
- Strategic advice makes us different
- Effective B2B service offer for those seeking a 'stand alone' position

Risk Management

- Our people are at the centre of our risk management strategy
- Our risk management systems are designed to deliver sustainable outperformance for all our stakeholders be they our customers, partners, people, regulators and shareholders
- Our systems and processes are forward looking to anticipate risks as they emerge

*Policy administration system

About ClearView Subordinated Notes

ClearView Subordinated Notes key terms

Key Terms	Description
Issuer	ClearView Wealth Limited
Market Volume	A$40-75 million
Indicative Margin at issue	Three month BBSW + 600 area
Term to maturity	10 years
Tenor (Call Date)	5 years
Issuer rating at issue date	Long-Term Issuer Default Rating (IDR) of 'BBB' from Fitch
Ranking	• Subordinated and unsecured, ranking behind all Senior Creditors, equally with the claims of all Pari Passu Subordinated Creditors and other Holders, and ahead of Junior Subordinated Creditors. Ranking ahead of preferred securities and ordinary equity. • Subordinated Notes are not guaranteed by any member of the ClearView Group or secured over the assets of any member of the ClearView Group. Subordinated Notes are not insurance policies and are not guaranteed or insured by any government agency or any other party.
Interest	Floating rate, calculated by reference to BBSW, which is a benchmark floating interest rate for the Australian money market
Early redemption	Subject to certain conditions (including APRA's prior written approval), the Issuer may Redeem: • all or some of the Subordinated Notes on fifth anniversary or an Interest Payment Date occurring after that date; and • all (but not some only) Subordinated Notes at any time if a Tax Event or Regulatory Event occurs.

ClearView Subordinated Notes key terms cont.

Key Terms	Description
Non-Viability Trigger Event	This occurs if APRA has provided a written determination to the Issuer that: • the conversion to Ordinary Shares or write-off of Relevant Subordinated Instruments in accordance with their terms or by operation of law is necessary because, without it, APRA considers that the Issuer would become non-viable; or • without a public sector injection of capital, or equivalent support, the Issuer would become non-viable
Conversion at the point of non-viability	If a Non-Viability Trigger Event occurs, the Subordinated Notes may be converted into Ordinary Shares subject to certain conditions and a Maximum Conversion Number (set at 20% of the Issue Date VWAP). If Conversion cannot be effected within 5 Business Days, the Subordinated Notes will be Written-Off without any compensation for investors
Events of default	The only events of default in respect of the Subordinated Notes are: • subject to the Solvency Condition, the Issuer fails to pay any amount of principal or Interest within 14 days of the due date for payment; or • an effective resolution for the winding up of the Issuer is passed or a court order is made (subject to 60 days' grace) for the winding up of the Issuer (subject to a carve out for certain consolidations, amalgamations, mergers or reconstructions)
Use of proceeds	The Issuer expects to use the net proceeds of the issue for general corporate and/or capital management purposes, including to repay certain existing indebtedness of the Issuer and to fund or support the funding of Tier 2 capital of a regulated entity within the ClearView Group
Denominations	A$10,000 (subject to a minimum A$500,000 holding)
Settlement	Austraclear
Governing law	New South Wales, Australia
Listing	Unlisted
Arranger	NAB

Offer process and key dates

Date	Action / event
21 October 2020	Announcement of Offer to ASX
22 - 23 October 2020	Bookbuild process
Around 23 October 2020	Pricing
21 October - 3 November 2020	Execution of documents
Around 5 November 2020	Settlement / receive proceeds
Around 5 November 2020	Announcement of Settlement / Close to ASX

Ranking of ClearView Subordinated Notes

	Type	Illustrative examples
Higher ranking	Preferred and secured debt	Liabilities preferred by law including employee entitlements and secured creditors
	Unsubordinated and unsecured debt	Bonds and notes, trade and general creditors
	Subordinated and unsecured debt	ClearView Subordinated Notes and any other subordinated and unsecured debt obligations, and any other securities expressed to rank equally with the Subordinated Notes
	Perpetual and term subordinated instruments	Any Additional Tier 1 Capital of a Regulated Entity of the ClearView Group (as at the date of this presentation, the Issuer does not have any such instruments on issue)
Lower ranking	Ordinary shares	Ordinary shares

NOTE: The table illustrates how Subordinated Notes would rank upon a winding-up of the Issuer if they are on issue at the time (and have not been required to be Converted). The ranking of Holders in a winding-up will be adversely affected if a Non-Viability Trigger Event occurs and Subordinated Notes are required to be Converted into Ordinary Shares, in which case Holders will have a claim as holders of Ordinary Shares. If, following a Non-Viability Trigger Event, Subordinated Notes are Written-Off, all rights in relation to those Subordinated Notes will be terminated and Holders will not have their capital repaid.

Key risks associated with Subordinated Notes

The following is a high level summary of the key risks associated with investing in Subordinated Notes. Investors should carefully consider the risks associated with Subordinated Notes, together with the terms and other information as set out in the Information Memorandum, before deciding whether to invest in the Subordinated Notes.

- The market price of the Subordinated Notes may fluctuate due to various factors, including investor perceptions, Australian and international economic conditions, changes in interest rates, credit margins, foreign exchange rates, credit ratings and capital markets, and other factors that may affect the ClearView Group's financial performance and capital position.
- The Subordinated Notes are unsecured and subordinated notes to be issued by the Issuer. The Subordinated Notes are not secured over any of the ClearView Group's assets and are not policies with any member of the ClearView Group for the purposes of the Life Insurance Act. On a winding-up of the Issuer (if a Non-Viability Trigger Event has not occurred), the Subordinated Notes will rank for payment behind Senior Creditors.
- All of the Issuer's obligations to make payments in respect of the Subordinated Notes are subject to the Solvency Condition being satisfied. If the Issuer is not able to pay its debts as they become due and payable and the Issuer's assets do not exceed its liabilities, both at the time of making the payment and immediately after making the payment, no payment will be made.
- If a Non-Viability Trigger Event occurs, the Issuer may be required to Convert some or all Notes into Ordinary Shares. Holders should be aware that a Non-Viability Trigger Event could occur at any time. Whether or not a Non-Viability Trigger Event will occur is at the discretion of APRA and the Issuer has no obligation to take steps to avoid non-viability.
- In certain circumstances, the Ordinary Shares that an investor would receive on Conversion will be issued to a Sale and Transfer Agent to sell the shares issued in respect of that investor and pay the cash amount of the net proceeds of sale to the investor. The Sale and Transfer Agent will have no duty in relation to the price or terms of such a sale.

Key risks associated with Subordinated Notes cont.

- Holders of Subordinated Notes should take care to ensure that by acquiring any Subordinated Notes which may be Converted to Ordinary Shares, they do not breach any applicable restrictions on the ownership of interests in the Issuer under applicable Australian law.
- The market price of Ordinary Shares may fluctuate due to various factors, including investor perceptions, Australian and international economic conditions, credit ratings and ClearView Group’s financial performance and position.
- The Issuer may redeem the Subordinated Notes early in certain circumstances, and there is a risk that the amount received on redemption may be less than the then current market value of Subordinated Notes. The timing of any redemption may not accord with a Holder’s individual financial circumstances or tax position.
- Holders have no right to request or require redemption or to accelerate repayment of their Subordinated Notes prior to the Maturity Date (except where an order has been made or an effective resolution passed for the winding-up of the Issuer).
- There is a risk that the Issuer may issue other securities that may affect the return that a Holder receives on their investment in Subordinated Notes. The Subordinated Notes do not in any way restrict the Issuer and other members of the ClearView Group from issuing further securities, or incurring further indebtedness, including indebtedness ranking ahead of or equally with the Subordinated Notes.
- There is a risk that Subordinated Notes may be affected by merger and acquisition activity affecting the Issuer.
- There is a risk that the position of Holders may be adversely affected due to the regulatory capital treatment of the Subordinated Notes.
- In certain circumstances APRA may appoint a statutory manager (a Life Insurance Act statutory manager) to take control of the business of an authorised non-operating holding company of a life company, such as the Issuer.
- Credit rating agencies may withdraw, revise or suspend credit ratings or change the methodology by which securities are rated. Such changes could adversely affect the market price, liquidity and performance of the Subordinated Notes.

Pro-forma consolidated balance sheet

$M Consolidated (Shareholder View)	30 June 2020 Actual	Issue Subordinated Note	Capital Raising Costs	Debt Funding Facility Repayment	Pro-forma 30 June 2020
ASSETS					
Cash and cash equivalents	272.0	50.0	(1.0)	(34.0)	287.0
Investments	29.5	-	-	-	29.5
Receivables	38.9	-	-	-	38.9
Deferred tax asset	7.1	-	-	-	7.1
Property, Plant & Equipment	0.5	-	-	-	0.5
Right of use asset	1.4	-	-	-	1.4
Goodwill	12.5	-	-	-	12.5
Intangibles	6.0	-	-	-	6.0
Total Assets	**367.8**	**50.0**	**(1.0)**	**(34.0)**	**382.8**
LIABILITIES					
Payables	30.8	-	-	-	30.8
Current tax liability	2.2	-	-	-	2.2
Lease liability	1.8	-	-	-	1.8
Provisions	7.0	-	-	-	7.0
Life Insurance policy liabilities	(187.9)	-	-	-	(187.9)
Subordinated debt	-	50.0	(1.0)	-	49.0
Borrowings	60.0	-	-	(34.0)	26.0
Deferred tax liabilities	1.2	-	-	-	1.2
Total Liabilities	**(84.9)**	**50.0**	**(1.0)**	**(34.0)**	**(69.9)**
Net Assets	**452.7**	-	-	-	**452.7**
Equity and Reserves					
Issued capital	449.9	-	-	-	449.9
Treasury shares	(2.4)	-	-	-	(2.4)
Reserves	18.6	-	-	-	18.6
Retained losses	(13.3)	-	-	-	(13.3)
Total equity	**452.7**	**-**	**-**	**-**	**452.7**

Commentary

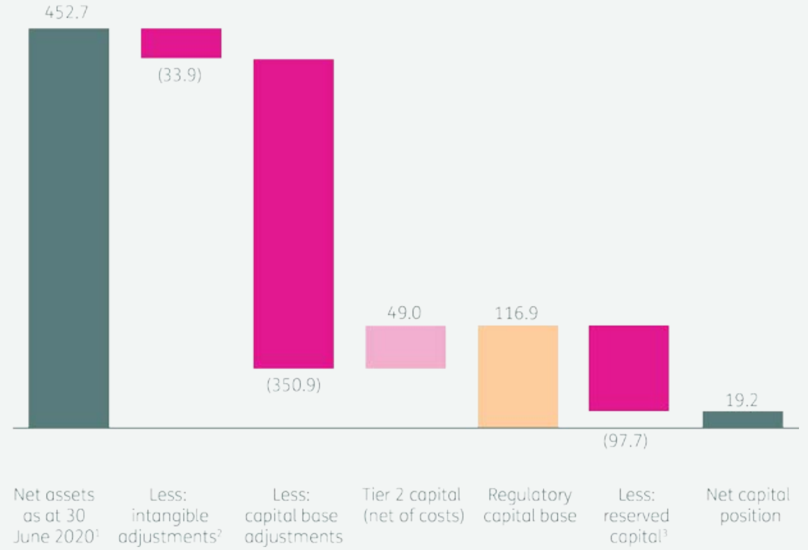
- Pro-forma net assets of $452.7m as at 30 June 2020:
  - Issuance of $50m of Subordinated Notes
  - Repayment of $34m drawn down under debt facility[4]
  - $16m of proceeds to fund or support regulated funding requirements of ClearView Life
  - $1m (net of tax) capital raising costs incurred
- Subordinated Notes issued by the listed entity (CWL) meets the definition of Financial Liabilities in the financial statements of CWL
- Subordinated Note will be separately reflected on the face of Balance Sheet
- ClearView Life notes are intended to be issued for purposes of the business of the Statutory Fund as per the Internal Note Deed Poll
- Subordinated Notes issued by ClearView Life will also meet the definition of Financial Liabilities in the financial statements of ClearView Life and the Statutory Fund
- On consolidation, the Subordinated Notes issued by ClearView Life and held by CWL ($16m) will be inter-company notes and should be eliminated on consolidation
- Therefore, the asset held by CWL will be eliminated against the liability issued by CLAL and a net nil position will be reflected on consolidation. The same will be true for the income statement items

Notes

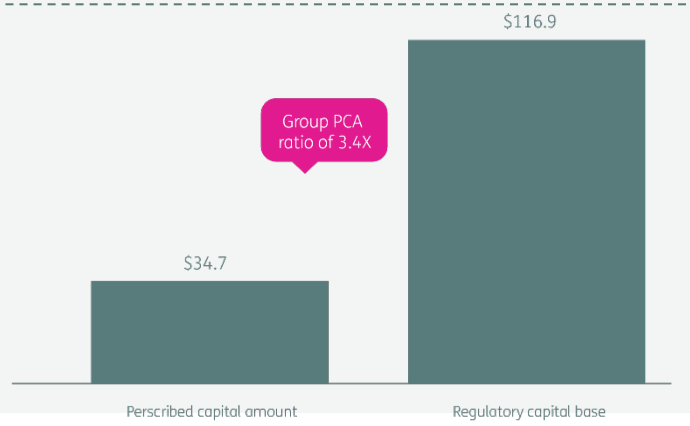
1. Shareholder view excludes the life investment contracts (i.e., unit linked business), deconsolidated retail unit trusts and reflects fees earned by the shareholder less expenses incurred.
2. As at 30 June 2020 unless otherwise stated
3. Life Insurance asset reflects insurance liabilities net of the future recoverability of the deferred acquisition cost (DAC) in accordance with the accounting standards.
4. ClearView has access to a $60m debt funding facility, fully drawn down at 30 June 2020.

Pro-forma group capital position at 30 June 2020

Pro-forma Group Capital Position Bridge - $m



Pro-forma Regulatory Capital Coverage - $m



Commentary

- Capital base adjustments include removal of deferred acquisition costs ($347m) that are not permitted to be counted in the regulatory capital base.
- Intangible adjustment includes the removal from the capital position of the carrying value of CRP receivable[2] ($15.5m)
- Pro-forma net capital position above the internal benchmarks at 30 June 2020 of $19.2m across the Group.
  - Issuance of $50m of Subordinated Notes less $1m (net of tax) capital raising costs incurred
- Proceeds intended to be used to repay $34m drawn down under debt facility[5] and $16m of proceeds to fund or support regulated funding requirements of ClearView Life
- Pillar 2 capital charge to be in place for ClearView Life from 1 October 2020 – prescribed capital amount of $34.7m excludes impact but has been taken into consideration for proposed issuance of Subordinated Notes
- Incurred claims treaty for income protection now in place (signed post Balance date) that removes reinsurance asset concentration risk issue[4]

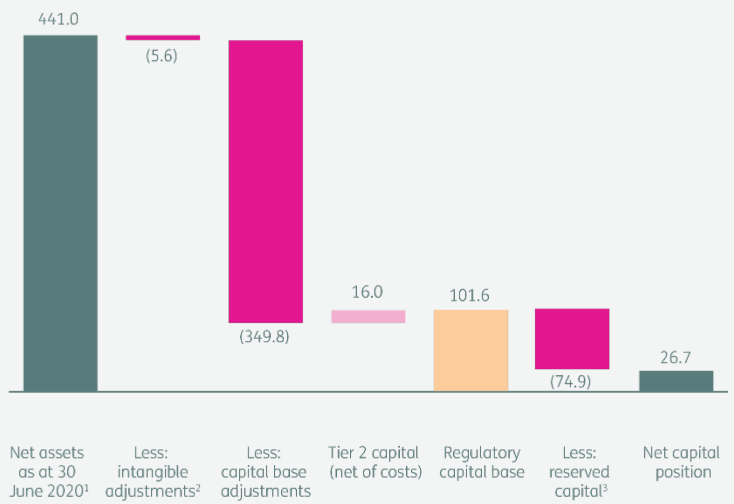
Notes

1. Net Asset Value as at 30 June 2020 excluding ESP Loans. Net assets includes the deferred acquisition costs (DAC) component of insurance policy liabilities.
2. Intangible adjustments relate to goodwill, acquired intangibles and capitalised software. It also includes a $15.5m asset for tax benefits within the ClearView Retirement Plan (CRP) relating to insurance premiums paid via rollover. There is currently not sufficient taxable income in the CRP to utilise these tax benefits. While strategies to utilise the carried forward losses in the CRP are in progress there are risks and uncertainties involved. Furthermore, a project for the CRP (part of a broader wealth strategy) is well progressed.
3. Reserved capital includes the minimum regulatory capital, risk capital which is additional capital held to address the risk of breaching regulatory capital and a working capital reserve (if applicable) held to support the capital needs of the business beyond the risk reserving basis.
4. ClearView has implemented an incurred claims treaty with Swiss Re for lump sum and income protection business, where claims (including reserve components) are paid when a claim is incurred which reduces the concentration risk exposure. As a result of entering into the new income protection treaty, ClearView is winding down the limits on the $70 million irrevocable letter of credit issued by a major Australian bank on behalf of Swiss Re. ClearView will be able to increase the dollar limit on the letter of credit in the future, subject to Swiss Re having sufficient capacity at that time. There is no Asset Concentration Risk charge under LPS 117 relating to the Swiss Re exposure as at 30 June 2020.
5. The Debt Facility is repayable on 1 April 2024. $60m of the debt facility has been drawn down as at 30 June 2020. Debt facility to remain open.

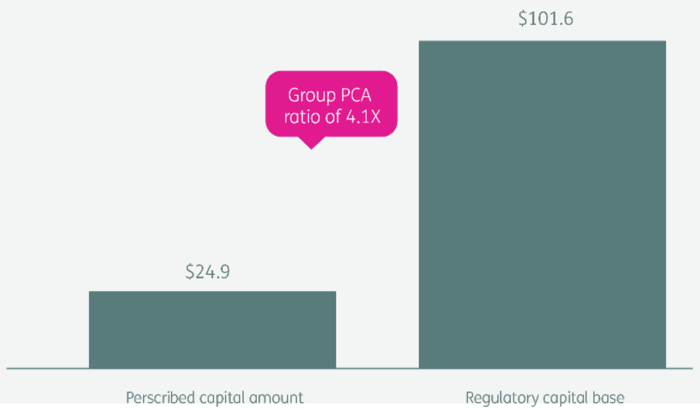
Pro-forma ClearView Life capital position at 30 June 2020

ClearView

ClearView Life – Pro-forma Capital Position Bridge - $m



ClearView Life - Pro-forma Regulatory Capital Coverage - $m



Commentary

- Capital base adjustments include removal of deferred acquisition costs ($347m) that are not permitted to be counted in the regulatory capital base.
- Pro-forma net capital position above the internal benchmarks at 30 June 2020 of $26.7m in ClearView Life.
  - $16m of proceeds from Internal Subordinated Note to fund or support regulated funding requirements
  - Pillar 2 capital charge to be in place for ClearView Life from 1 October 2020 – prescribed capital amount of $24.9m excludes impact but has been taken into consideration for proposed issuance of Subordinated Notes
- Incurred claims treaty for income protection now in place (signed post Balance date) that removes reinsurance asset concentration risk issue[4]

Notes

1. Net Asset Value as at 30 June 2020. Net assets includes the deferred acquisition costs (DAC) component of insurance policy liabilities.
2. Intangible adjustments predominantly relate to capitalised software.
3. Reserved capital includes the minimum regulatory capital, risk capital which is additional capital held to address the risk of breaching regulatory capital and a working capital reserve (if applicable) held to support the capital needs of the business beyond the risk reserving basis.
4. ClearView has implemented an incurred claims treaty with Swiss Re for lump sum and income protection business, where claims (including reserve components) are paid when a claim is incurred which reduces the concentration risk exposure. As a result of entering into the new income protection treaty, ClearView is winding down the limits on the $70 million irrevocable letter of credit issued by a major Australian bank on behalf of Swiss Re. ClearView will be able to increase the dollar limit on the letter of credit in the future, subject to Swiss Re having sufficient capacity at that time. There is no Asset Concentration Risk charge under LPS 117 relating to the Swiss Re exposure as at 30 June 2020.

ClearView

End