



Market Release

15 June 2021

Investor presentation notice

Please find attached the presentation to be given by Mr Simon Swanson, Managing Director at ClearView Wealth Limited, to investors and shareholders at the MST Access Australia Micro & Small Caps Conference on Tuesday 15 June at 9.15am AEST.

To Join the presentation, please click the webinar link below

<https://mstfinancial-au.zoom.us/j/87846898095>

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Approval of announcement

The Continuous Disclosure Committee of ClearView has authorised the release of this announcement 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 MST Financial Conference 15 June 2021

Simon Swanson
Managing Director

Disclaimer



Important notice and disclaimer

Summary information

This investor presentation (Presentation) contains summary information about ClearView Wealth Limited (ACN 106 248 248) and its subsidiaries (ClearView) and its activities as at the date of this Presentation.

Future performance

This presentation contains certain forward looking statements. The forward looking statements contained in this presentation involve known and unknown risks and uncertainties and other factors, many of which are 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.

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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 (“International Financial Reporting Standards”) 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.

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The information in this presentation is subject to change without notice.

Agenda

1. About ClearView
2. HY21 Financial Result
3. Business Strategy
4. Outlook

1. About ClearView

Strategic rationale behind ClearView

ClearView was established in its current form in 2010 to meet an identified gap in the market for a customer-centric life insurance and wealth management business

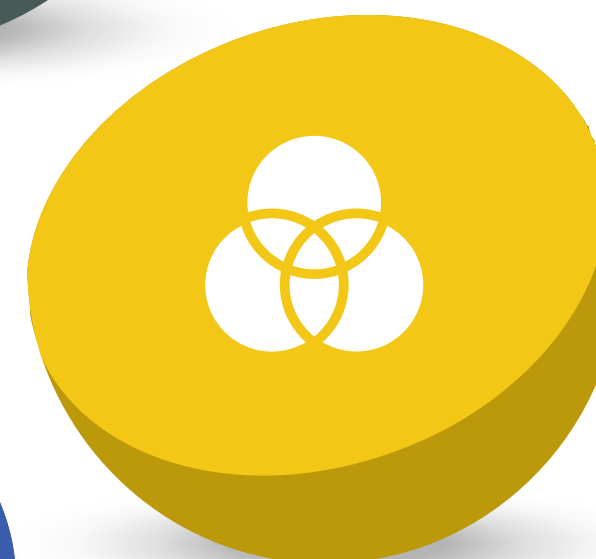
An integrated business with the right licences

- An APRA-regulated Non-Operating Holding Company
- An integrated structure with three segments: Life Insurance, Wealth Management and Financial Advice



Significant arbitrage opportunity due to the structure of industry profit pools

- Incumbents had legacy issues including multiple, outdated systems, products and pricing
- Cross-selling opportunity arising from the convergence of life insurance and superannuation
- Focus on Retail Advised segment
- Avoid Group Life and Consumer Credit Insurance



Deep experience across distribution and advice

- Larger institutions did not understand the needs of advisers and clients
- Consolidation created space for an IFA-focused entrant
- Strong relationships with IFAs built on quality products and services
- Ability to help advisers meet their clients' needs

Fundamental need for products and services

Life Insurance

Sustainable, high quality life insurance solutions for both the employed and self-employed market

Wealth Management

Simple, transparent model portfolios for both super and non-super clients, designed to manage risk and return

Financial Advice

Quality client-centric advice focused on wealth protection and wealth creation

Strong demand for the efficient and effective delivery of quality products and services on an open architecture platform underpinned by:



**Sustainability
of Margins**



Ageing population



**Resilient economy
through COVID-19**

Outcome

Good for customers | Good for society | Good for shareholders

2. HY21 Financial Result

HY21 Financial Result





**Business
strength**

Resilience

Transformation

Highlights

Operating Earnings After Tax² \$13.1m Up 39% Reported NPAT \$9.7m Flat	 	<ul style="list-style-type: none">• Strong result in challenging environment• Business has been resilient to COVID-19 impacts in 1H• Significantly improved claims performance• Income Protection (IP)¹ lapses driven by price increases
Life insurance is a recurring revenue business		<ul style="list-style-type: none">• In-force premiums up 8%• Gross premium income up 7%• Contributes 95% to Group Operating Earnings After Tax²
Transformation on track		<ul style="list-style-type: none">• New Life Insurance product development underway• Modern life insurance system development commenced• Transition of wrap platform to HUB24• LaVista gaining traction
Resilience demonstrated		<ul style="list-style-type: none">• Strong balance sheet• Successful Tier 2 capital raising• Tax credit issue resolved• Asset concentration risk addressed in medium term• Capital backed by net cash and investments of \$350m (52 cents per share)• Capital base resilient to various stress scenarios
Dividend policy		<ul style="list-style-type: none">• Target payout of 40-60% of Operating Earnings After Tax²• FY21 Dividend to be reinstated, subject to 2H performance• Business is approaching underlying capital generation³

1 IP is individual income protection or Individual Income Disability Insurance.
2 Operating Earnings After Tax represents the Underlying NPAT⁴ of the business segments before underlying investment income and interest costs associated with corporate debt and Tier 2 Capital.
3 Business is now generating capital excluding the impacts of allowances for COVID-19 impacts and increased interest cost associated with the change in capital structure.
4 Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases.

Balance Sheet strength



Net Assets

	HY18	HY19	HY20	HY21
Net assets (\$m)	428.4	446.8	449.4	462.2
Net assets per share (cps)	69.0	70.3	69.4	72.6

Embedded Value

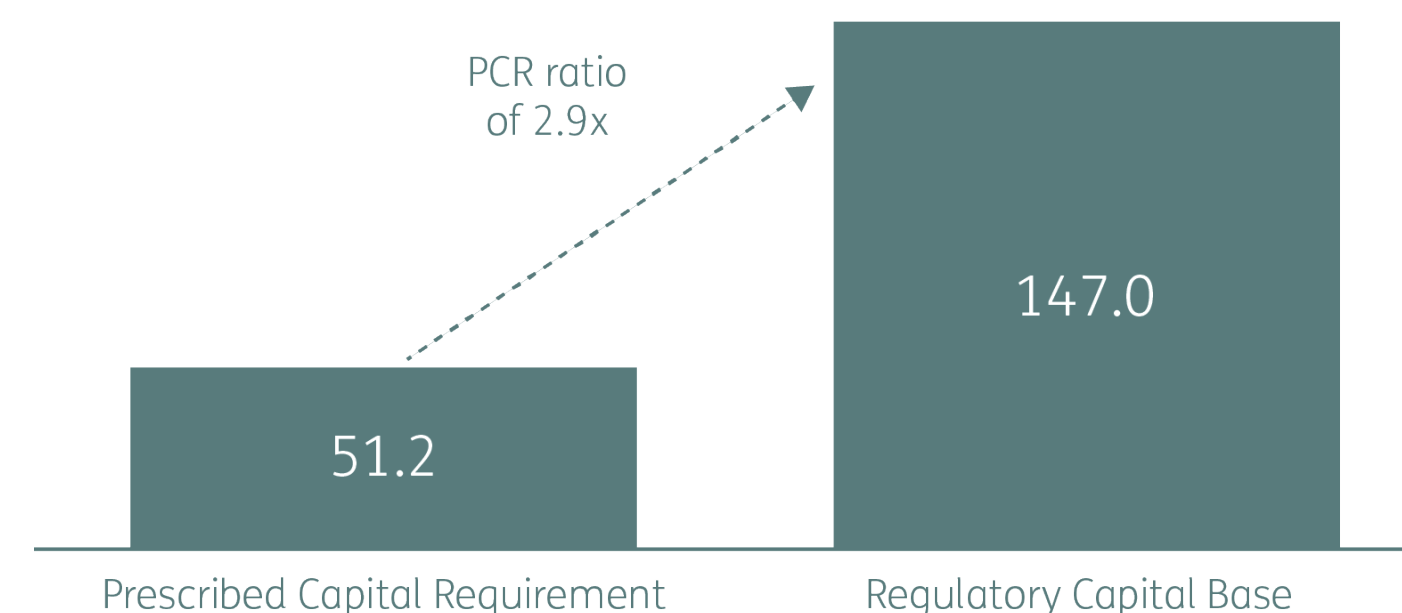
	FY18 ⁵	FY19	FY20 ⁴	HY21 ⁴
Embedded Value (\$m)	670.1	672.6	643.4	635.7
Embedded Value per share (cps)	1.00	99.4	95.3	94.1

Capital (\$m)

	HY18	HY19	HY20	HY21
Regulatory requirement	22.9	25.0	29.8	51.2
Regulatory capital base	90.5	79.3	69.6	147.0
Surplus/(Deficit) ³	12.5	14.0	(2.0)	25.9

- \$75m Tier 2 capital raising in November 2020
- Asset concentration risk addressed in medium term¹
- Life insurance superannuation transfer to HUB24 completed November 2020 - addresses tax credit issue
- Includes APRA supervisory adjustment as part of IDII² sustainability measures
- Capital backed by net cash and investments of \$350m (52cps)
- From FY20, EV calculations include strengthening of assumptions and potential impacts from COVID-19
- Risk transformation project continues to build resilience across business

Group Regulatory Capital Coverage (\$M)



¹ Incurred claims treaty for income protection completed in HY21.

² Individual Disability Income Insurance.

³ HY19 and HY20 includes amounts drawn down under debt facility. Permanent capital solution in place in HY21 (Tier 2 capital raising completed in November 2020).

⁴ Includes material changes to claims assumptions at 30 June 2020, including short term COVID-19 overlays and shock lapse assumptions

⁵ Excludes value of inforce related to the Financial Advice segment and is reflected at the net asset value in the net worth in each period.

3. Business Strategy

Business and strategy update

Strategic priorities

Progress



Premium rate increases on income protection



Focused on sustainability of margins across growing portfolio

Claims management (return to work)



Strong claims performance

Integrated end-to-end PAS



Vendors appointed to build new contemporary life insurance technology platform¹

APRA IDII sustainability measures with flow on affect to earning an appropriate return on capital



Change to product design and features underway

Service delivery



Positive NPS² through challenging market



Transition of wrap offering to HUB24 platform



Successful transition to HUB24 in 2H FY21

Upgrade reporting to advisers



On track for delivery 2H FY21

Focus on WealthFoundations



Strong flows in 1HY21

Repositioning of business to achieve scale



Under consideration

¹ Includes integrated SAAS policy administration system and underwriting rules engine. \$20m investment over a 3 year period.

² Net promoter score – Investment Trends: October 2020 Planner Risk Report – Industry Analysis

Strategic priorities

Progress



Financial Advice

Flat fee model and repricing



Successfully implemented

Grow LaVista - B2B¹ model



Gaining traction - 28 AFSLs; 91 ARs²

Continued commitment in technology and compliance



Leading technology for advisers



Group

Lock down capital structure



\$75m Tier 2 successfully raised in November 2020

Asset concentration risk charge



Incurred claims treaty for income protection executed in 1HY21

Super tax credit issue



Successful transfer to HUB24 in 1HY21

Seek transparent communication around Embedded Value estimation and its relationship to prevailing share price



Commenced process of improved market communications and investor relations strategy

Move to line of business structure to increase accountability



Line of business structure implemented - increased capacity and capability with management appointments

¹ Business to business model providing outsourced licensee services to third party AFSLs.
² AFSL is an Australian Financial Service Licence; AR is an authorised representative. Numbers as at 31 December 2020.

4. Outlook

Business outlook

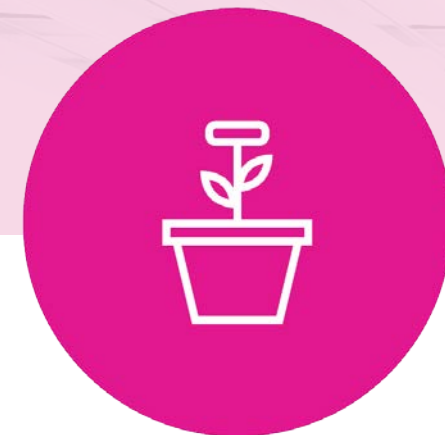
FY21 base transitional year as industry shifts (over time) to rational pricing, increasing life insurance sales and sustainable product features.



Business has proven resilient to the health and economic impacts of COVID-19 to date



Ultra low interest rate environment continues to adversely impact earnings



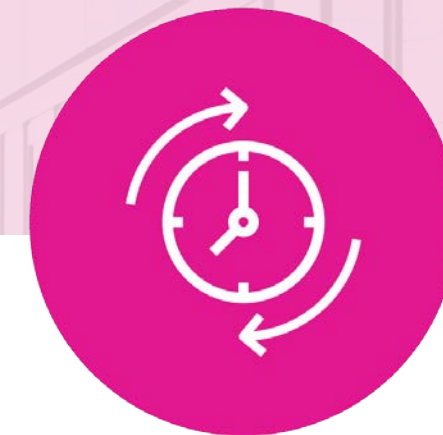
APRA IDII³ sustainability measures likely to improve industry performance in the medium term (underlying margins and return on capital)



Strong Balance Sheet and capital base resilient to various stress scenarios



Early signs of traction from key actions, including shift to line of business structure, improved capability and capacity



Business is on track to meet its FY21 goals with a view to launching new products on modern technology platform, thereby accelerating new business growth



FY21 dividend to be reinstated, subject to 2H performance; Payout ratio of 40-60% of Operating Earnings⁴; Guidance provided at half year - Underlying NPAT¹ of \$21-\$25m for FY21^{2,5}

- 1 Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on 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 the attainment of the guidance provided are the achievement of best estimate assumptions in 2H FY21 (in particular for claims and lapses) and the secondary economic impacts of COVID-19, and the flow on effects to IP claims and affordability of premiums. While estimates and allowances have been made in the claims and lapse assumptions adopted, given the fluidity of the COVID-19 pandemic and operating environment, potential impacts from any deterioration in economic conditions or unanticipated delays in the roll out of the vaccine, actual experience relative to assumptions adopted will need to be closely monitored with the related flow on effects to the guidance provided.
- 3 Individual Disability Income Insurance.
- 4 Operating Earnings (after tax) represents the Underlying NPAT¹ of the business segments before underlying investment income and interest costs associated with corporate debt and Tier 2 Capital.
- 5 Includes a \$1m impact on Underlying NPAT in the second half from interest costs associated with the subordinated debt that was raised in November 2020.

Q & A