



ClearView Results HY23 31 December 2022 Investor Presentation

23 February 2023

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HY23 Highlights

HY23 Highlights

Strong HY23 result - clear strategy, simplified business model and a focus on Life Insurance



Strong growth in premiums and underlying profit with a focus on high quality earnings



HY23 result reflects benefits of transformation strategy and investment during periods of uncertainty



Continued growth in market share combined with a favourable macro/ interest rate environment



Increasingly attractive life insurance market with improving returns driven by positive structural changes



Partnership with Human Financial allows divestment from wealth management and ensures core focus on life insurance business



Strong balance sheet and capital position – well positioned to continue to outperform

HY23 Financial Highlights

Life insurance remains the key profit driver and focus. In-force portfolios should trend to higher new business share which underpins the growth profile

Underlying NPAT	New Business	In-force Premiums ¹	Net Assets
\$16.3m +31%	\$11.3m +9%	\$290.9m +11%	\$476.7m 74cps
Strong growth in life insurance underlying earnings +46%	Life insurance new business written up 9% to \$11.3m	Advice in-force premiums¹ up 11% to \$291m	Net cash and investments of \$391m or 60cps
Divestment from wealth management leading to removal of its drag on earnings	Positive sales momentum driving market share gains⁵ - now circa 8% (up from 5% in FY21)	In-force market share of circa 3% ⁵	Net surplus capital position of \$14.6m ⁴ post final FY22 dividend of 2cps
Life insurance Underlying NPAT margin⁶ of 12.1%	Has previously achieved a new business share of circa 10%⁵ in FY19	New business market share 2.5 times in-force share	In-force portfolio backed by strong Balance Sheet and capital position
Higher interest rate environment³ positively impacting underlying earnings	Reflects shift back to growth (from FY22) underpinned by transformation strategy	In-force portfolios should trend to higher new business share over time	Embedded Value (EV) of \$583.5m or 90.2 cents per share

1. In-force premiums are the annualised premium in-force at balance date for the advice products (LifeSolutions and ClearChoice) and excludes the closed direct products no longer marketed to new customers. Total in-force premiums of \$325.1m as at 31 December 2022.

2. Including increased Long COVID-19/ reopen provisions for the half year period of \$0.7m.

3. Higher interest rates increase the underlying investment earnings on the capital held to support in-force policies and new business generation. Furthermore, new income protection claims costs decrease (due to the discounting impact), taking into account the estimated claims duration and adjusting for changes in inflation

4. Net capital position as at 31 December 2022 includes a working capital reserve of \$0.3m that is released after which time the underlying business becomes self funding. Stated after payment of FY22 final dividend of 2cps, paid in September 2022.

5. ClearView calculations based on NMG Risk Distribution Monitor Reports for Retail Advice In-force and New Business Analysis for relevant periods.

6. Is calculated as Life Insurance Underlying NPAT divided by Gross Premium Income.

HY23 result

A large crowd of diverse people is arranged on a white surface to form a large, upward-pointing arrow. The arrow is composed of many small figures, with the base being the widest and the tip being the narrowest. The figures are scattered around the arrow, some walking, some standing, and some sitting. The background is a light blue gradient, and a dark grey curved shape is visible in the bottom left corner.

Financials HY23 Group result

Commentary

Strong growth in HY23:

- New Business up 9% to \$11.3m
- In force premiums⁸ up 11% to \$290.9m
- Underlying NPAT³ up 31% to \$16.3m
- Life Underlying NPAT margin⁶ of 12.1%
- Claims⁵ and lapse underlying experience profits
- Positive impact from increased interest rate environment

Divestment from wealth allows for removal of drag on earnings post completion of transaction:

- Net underlying investment income² benefit between periods (+\$2.3m) was offset by adverse performance of wealth management (-\$2.1m)

24.5% interest in Centrepoint Alliance:

- Positive contribution due to scale benefits of integrated business
- Includes one-off deferred tax benefit (+\$1.1m)

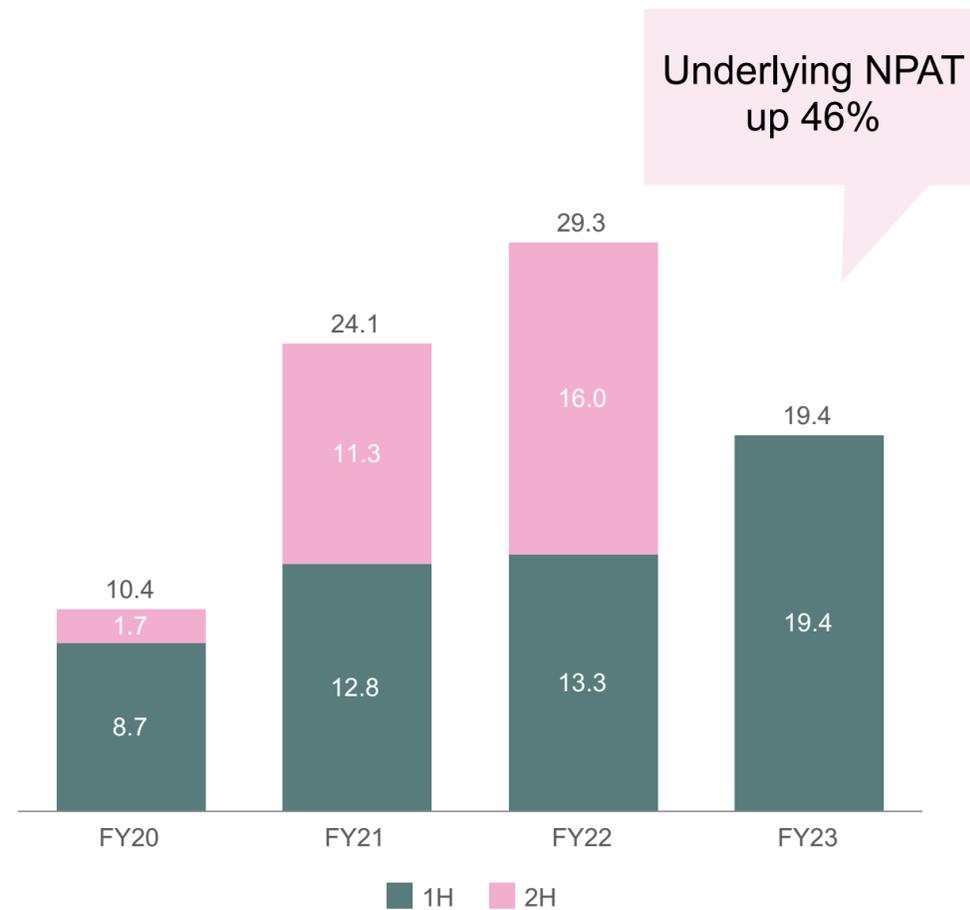
Underlying After Tax Profit ¹ by Segment, \$M ⁷	HY23	HY22	%Change ⁴
Life insurance	19.4	13.3	46%
Wealth management	-1.0	1.1	Large
Listed/Group costs	-2.1	-1.9	11%
Underlying NPAT before equity accounted interest³	16.3	12.5	31%
Financial advice – 24.5% share of Centrepoint/Discontinued operation	1.7	-0.5	Large
Group Underlying NPAT	18.0	12.0	50%

Key financial metrics, \$M unless otherwise stated	HY23	HY22	%Change ⁴
New business	11.3	10.4	9%
In-force premiums ⁸	290.9	262	11%
Life Underlying NPAT margin ⁶ (%)	12.1%	9.3%	+280bps
Net Underlying investment income (after tax) ²	0.9	-1.4	Large

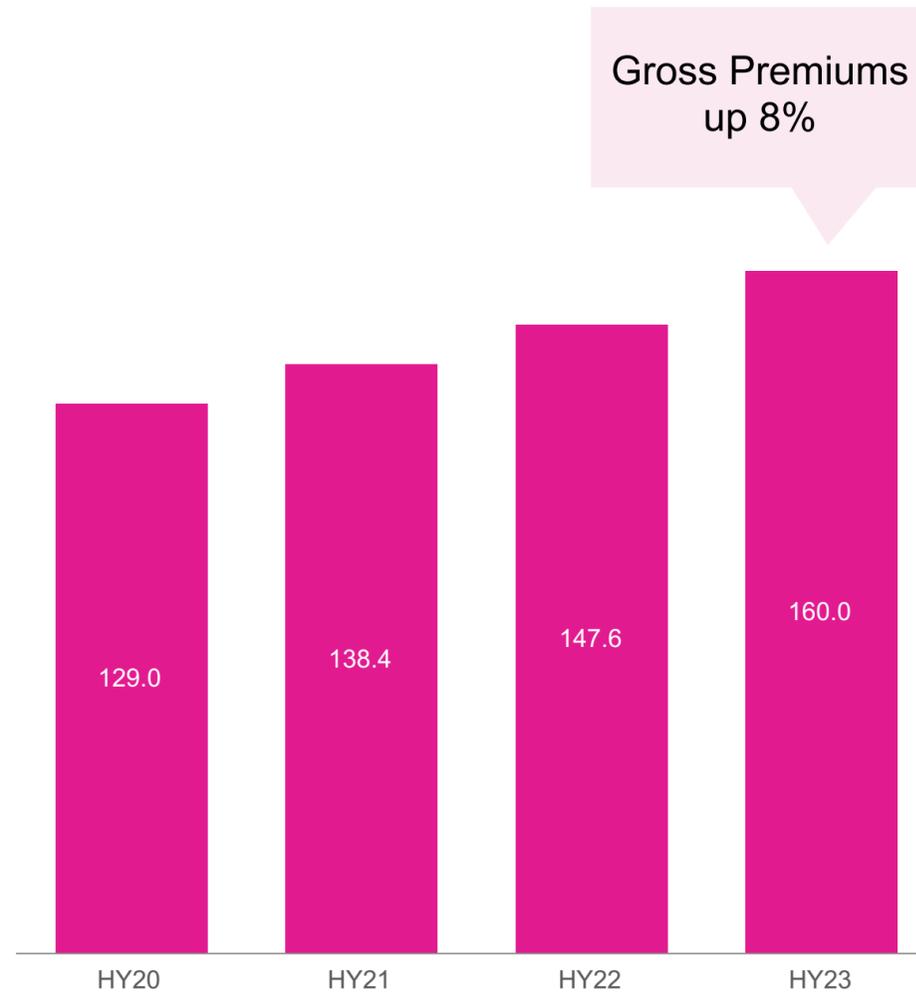
1. Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases, underlying investment income and interest costs associated with corporate debt and Tier 2 Capital. Costs associated with the incurred claims treaty are reflected as part of reinsurance costs.
2. Net underlying investment income includes underlying income of \$3.6m (HY22: \$0.6m) and interest cost on corporate debt (including Tier 2) of \$2.7m (HY22: \$2.0m)
3. Underlying NPAT before equity accounted interest includes Life Insurance and Wealth Management business units and the listed segment; excludes the equity accounted earnings of Centrepoint Alliance from the date of completion (1 November 2021) or the contribution of the Financial Advice business until the date of sale in the prior comparable period. No adjustments have been made in each relevant period for stranded costs or other internal charges as a result of the sale of the financial advice businesses.
4. % change HY22 to HY23
5. Includes additional long COVID-19/ reopen provisions raised in the half year period of \$0.7m
6. Is calculated as Life Insurance Underlying NPAT divided by Gross Premium Income
7. A reconciliation of statutory profit to Underlying NPAT is provided on Slide 22
8. In-force premiums are the annualised premium in-force at balance date for the advice products (LifeSolutions and ClearChoice) and excludes the closed direct products no longer marketed to new customers. Total in-force premiums of \$325.1m as at 31 December 2022.

Life Insurance HY23 result

Life Insurance Underlying NPAT (\$M)



Gross Premium Income (\$M)



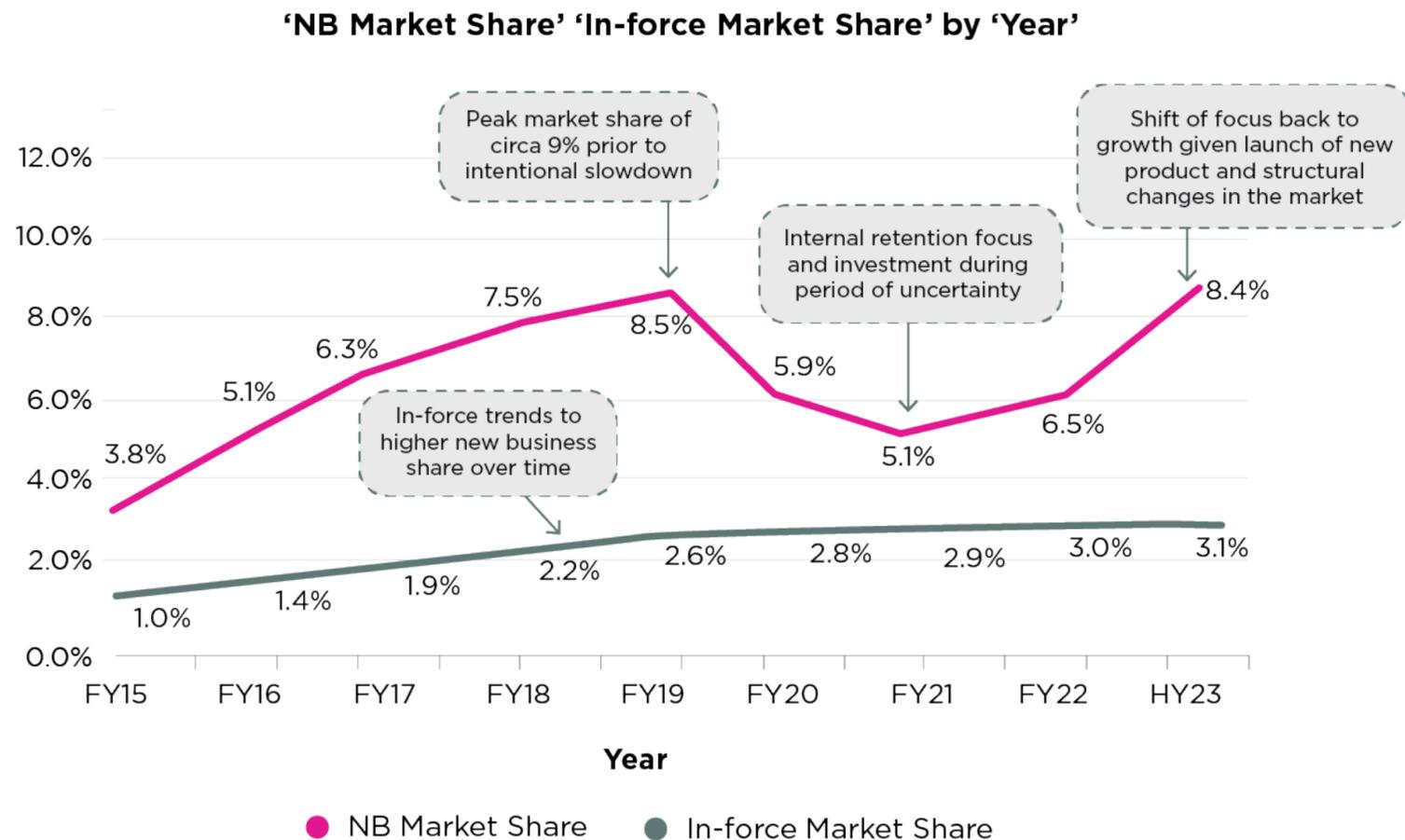
- Recurring revenue base up 8% to \$160m
- HY23 Underlying NPAT of \$19.4m up 46%
- Increased new business market share
- Continued positive underlying claims¹ (+\$0.1m²) and lapse performance (+\$1.7m²)
- Profitable new business margins on ClearChoice product
- In-force portfolio pricing cycle – next phase of current cycle increases from January 2023
- Increase in interest rates are a net positive
 - Inflation-linked premiums³ broadly offset cost inflation pressures
- Structural changes and transformation program of work continue to support earnings growth

1. Includes additional long COVID-19/ reopen provisions raised in the half year period of \$0.7m
 2. Experience profit relative to assumptions.
 3. As a significant portion of life insurance policies are indexed to inflation, increased inflation drives nominal increases in life risk in-force premium, which is expected to support in-force premium growth

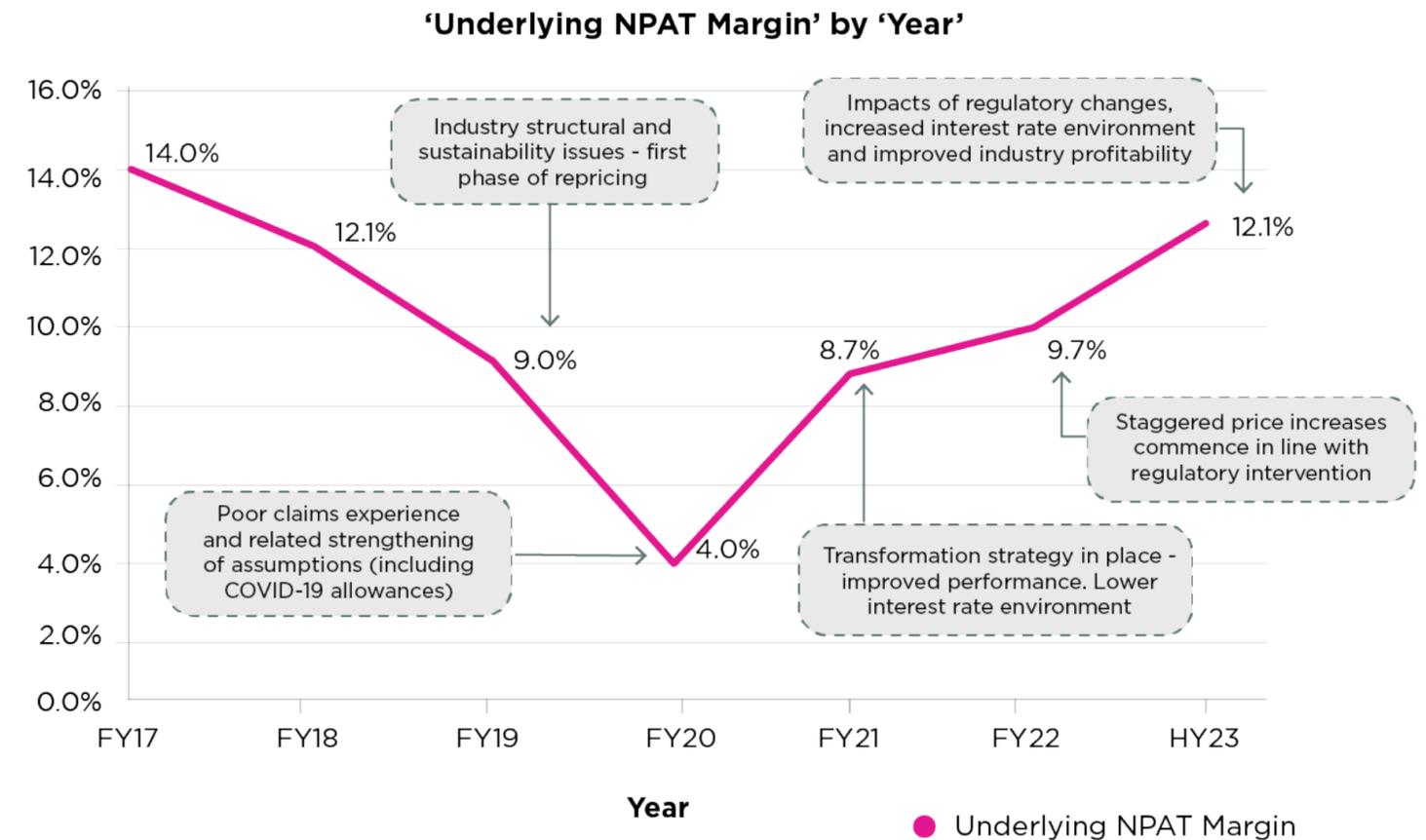
ClearView continues to be a challenger in an improving market environment

Regaining market share with a focus on high quality earnings - in-force portfolios should trend to higher new business share which underpins the growth profile

ClearView new business and in-force market share



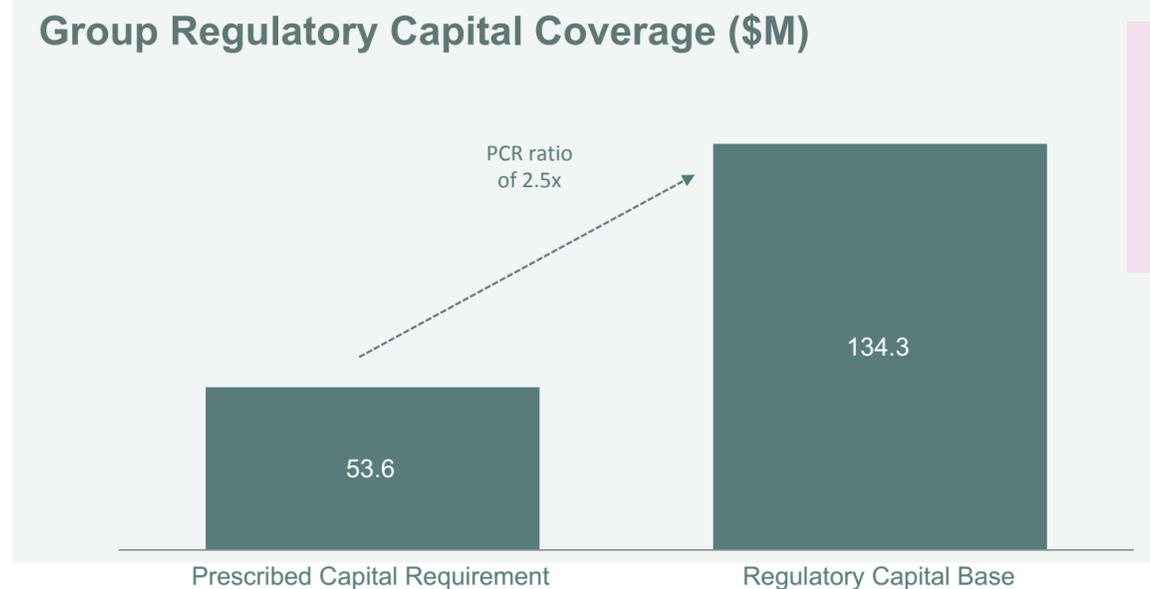
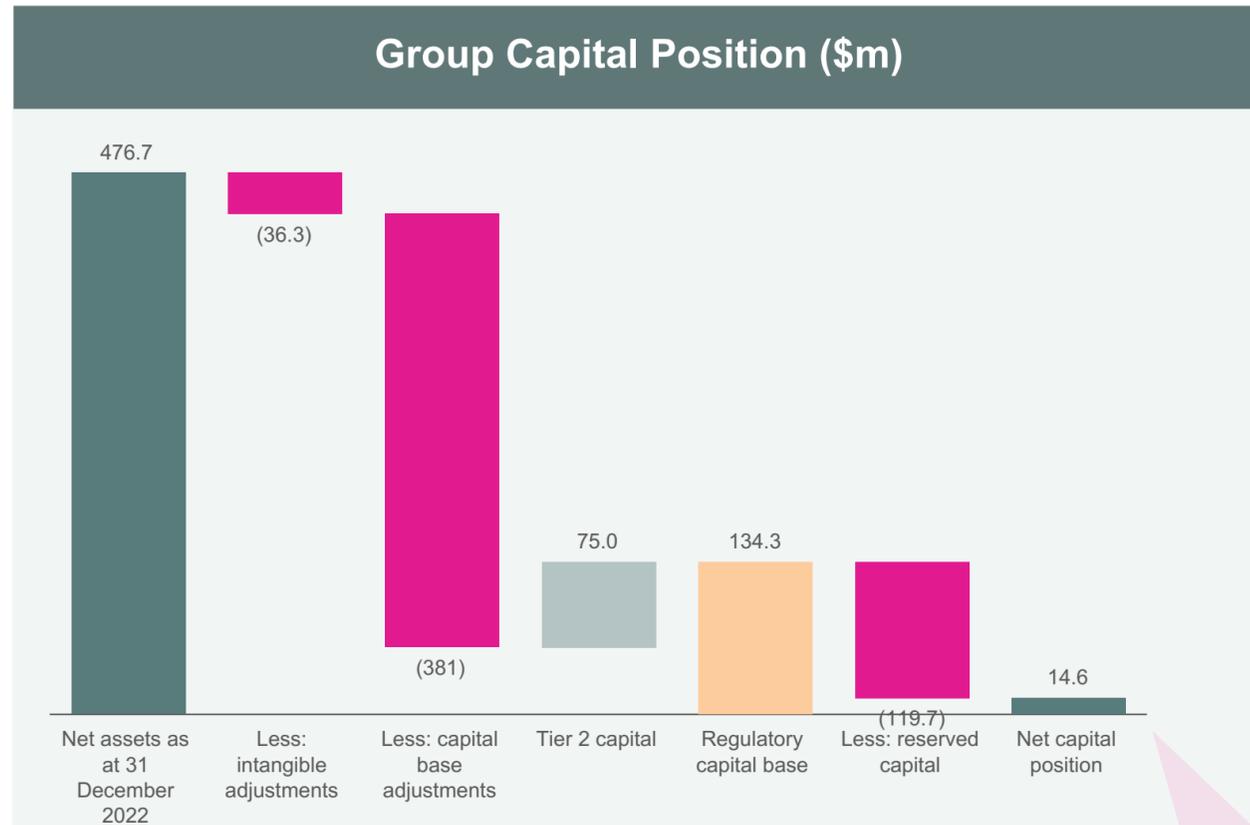
ClearView Underlying NPAT margins



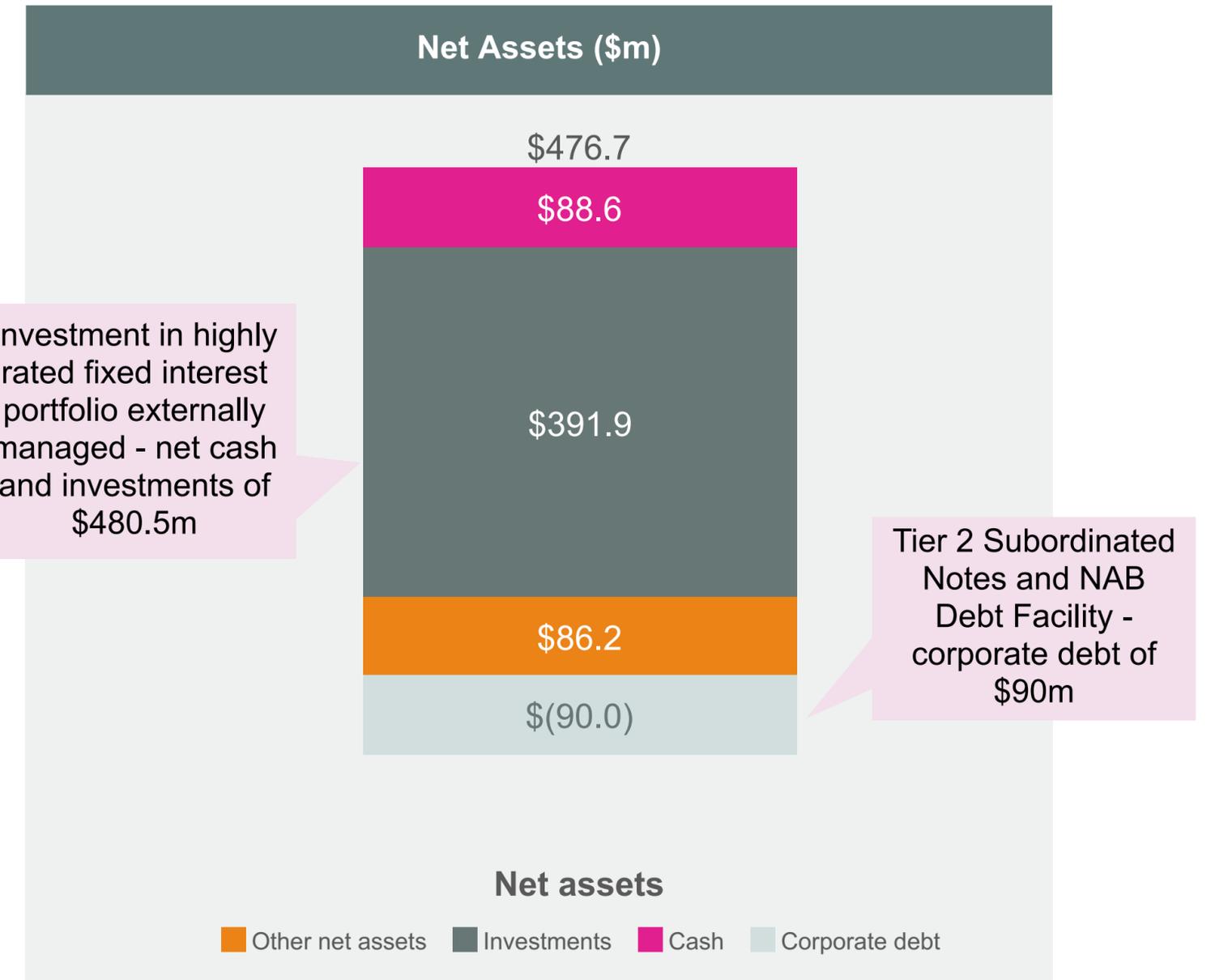
1. ClearView calculations based on NMG Risk Distribution Monitor Reports for Retail Advice In-force and New Business Analysis for relevant periods – NMG Market NB includes total of 'Retail' consistently applied (that is, IFA, Bank Advice and Aggregator channels)
 2. HY23 based on NMG Risk Distribution Monitor Reports for Retail Advice New Business Analysis for the quarter ended 30 September 2022 - December quarter data unavailable but expected to be materially consistent with September quarter.

Balance sheet strength

Net assets are backed by cash and highly rated securities - balance sheet provides strong downside protection due to its high level of net tangible assets



Net surplus capital of \$14.6m after FY22 final dividend (\$13m)



EV at 31 December 2022

Risk margin over risk free rate ² : (\$M), (unless otherwise stated)	3% dm	4% dm	5% dm
Life insurance	501.3	469.7	441.6
Value of In Force (VIF)	501.3	469.7	441.6
Net worth	21.3	21.3	21.3
Total EV	522.6	491	462.9
ESP Loans	1.8	1.8	1.8
Total EV including ESP Loans	524.4	492.8	464.7
Franking Credits @ 70%:			
Life Insurance	77.9	73.4	69.3
Net worth (accrued franking credits)	17.3	17.3	17.3
Total Franking Credits	95.2	90.6	86.6
Total EV including ESP loans and franking credits	619.6	583.5	551.3
EV per Share including ESP Loans (cents)	81.1	76.2	71.9
EV per Share including ESP Loans and Franking Credits (cents)	95.8	90.2	85.2

- The Life Insurance EV increased by 5.2% over the half year period to \$570m, including franking credits
- Wealth Management segment is now reflected at net assets and included in net worth - resulted in a reduction in its EV of \$19.2m, to \$17.8m
- Listed segment partially offsets (-\$4.3m) due to reduction in accrued franking credits and ESP loans
- Overall EV is therefore \$583.5m or 90.2cps including franking credits or \$492.8m or 76.2cps excluding franking credits
- On completion of divestment of managed investment business, the EV of Group expected to increase by circa \$11m before transaction costs
- A risk free rate of 3.5% has been adopted (HY22: 2%)

1. Embedded Value at 4% discount rate margin, including a value for future franking credits, accrued franking credits and ESP loans. As at 31 December 2022 unless otherwise stated

2. 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 HY23 EV is 3.5% (HY22: 2%).

3. ESP loans are a limited recourse loan that is accounted for as an option and not reported as a receivable on the Balance Sheet as at the reporting date. Based on the 90 day VWAP share price of 50.1 cents per share at 31 December 2022, of the remaining 18.1 million ESP shares on issue (and included in the total shares on issue of 661.1 million), 3.8 million ESP shares are considered to be in the money with a ESP loan recoverable balance of \$1.8 million. 14.3 million out of the money ESP shares would therefore be bought back and cancelled at the lower of the issue price or the ESP loan value, thereby reducing the shares on issue to 646.7 million shares. As such, \$1.8 million of ESP loans have been added to the net assets and 646.7 million shares on issue have been used for the purposes of calculating the net asset value per share. On a fully diluted basis, net of treasury shares, a further 11.9 million performance and restricted rights can be converted into ordinary shares - these have been excluded for the purposes of the calculation.



Key business highlights

ClearView Life Insurance today

The life insurance growth strategy is focused on capturing a double-digit market share (with a focus on high quality earnings) by delivering competitive products and service primarily to the IFA market initially, with a build out of Horizon 2 opportunities over time

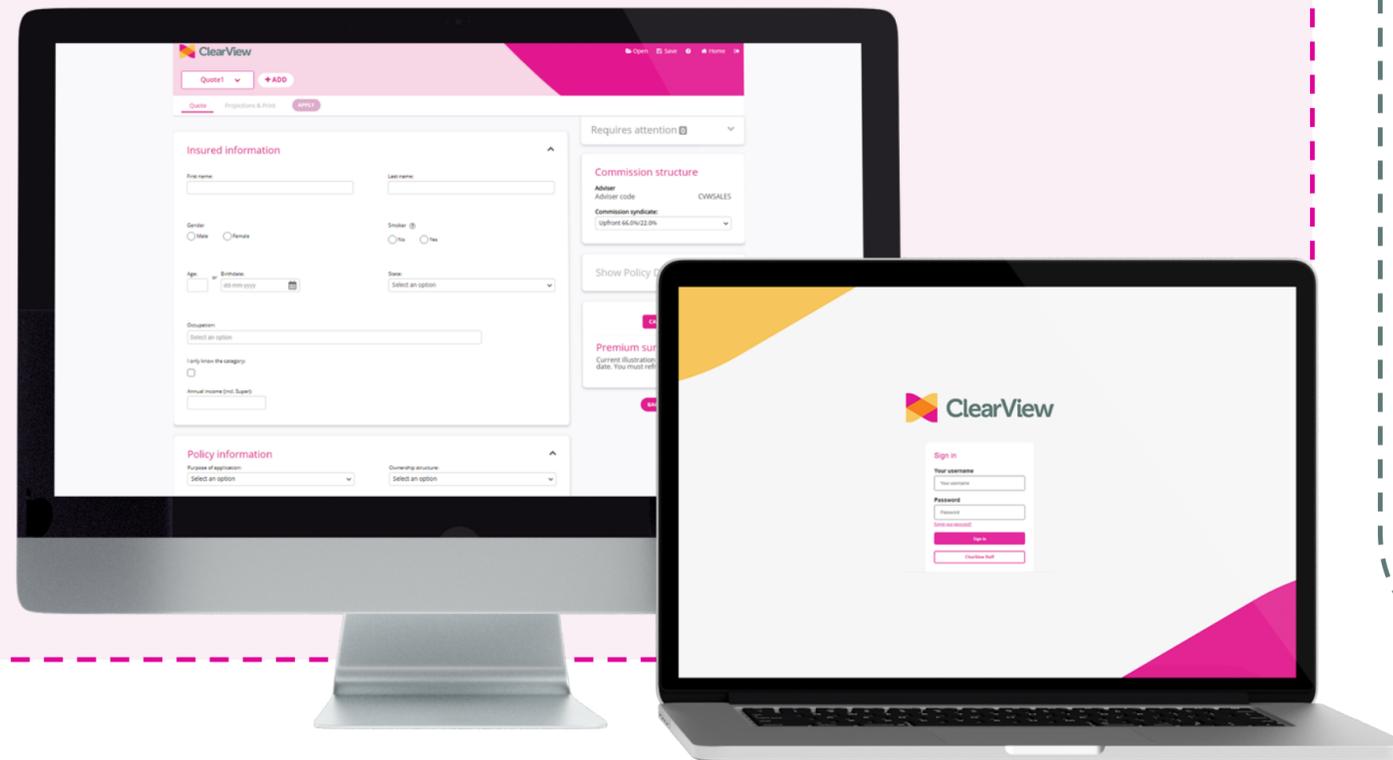
ClearView ClearChoice



Established
in 2021

Flexible application and underwriting approach

Our portal is designed to accelerate the ClearChoice application process and incorporates quoting, eApplication, managing an application and booking a tele-interview.



Award-winning products and services



2020
BDM Support and
Product Offering



2017 | 2018 | 2019
Planner Risk Report
Overall Satisfaction

Investing for profitable growth

ClearView is well-positioned to capture future growth. This is supported by a high quality in-force book

ClearView's Key Initiatives to Drive Future Growth

ClearView ClearChoice

Recent product updates to improve product positioning aligns with structural industry changes. ClearChoice has been well accepted with increased new business flows (and market share)

Staggered in-force repricing

Price increases across in-force book to ensure ongoing economic sustainability – next phase of current repricing cycle commenced January 2023

Technology Investment

Multi year investment in new IT platform and URE - both front-end and back-end technology capabilities – project on track

Strong Distribution Base

ClearView has established a diversified distribution network with 900+ dealer groups comprised of 4,000+ advisers

Continued Improved Claims Management

Implementation of improved claims management and process capability to achieve return-to-work outcomes

Divestment of Wealth Management

Conditional agreements signed with Human Financial for divestment of managed investment business - provides a 40% holding in a focused and growth-oriented investment platform. Removes drag on Group earnings

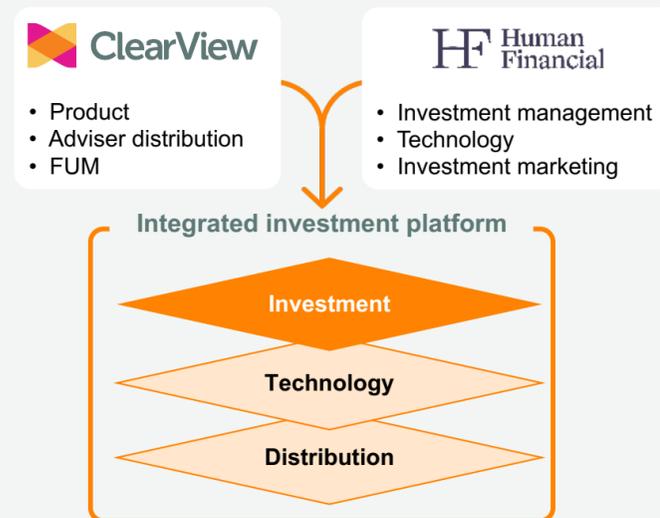
Divestment from Wealth

Two-part reorganisation of wealth management business to enable more efficient delivery of these products, while improving investment and service outcomes – leads to divestment of business

1. Investment Management unit

Strategic sale of ClearView's investment management unit to Human Financial

- Human Financial is an investment management and technology company
- Merges ClearView's managed investment business with Human Financial's investment expertise, technology infrastructure and operating systems.
- Continued partnership through share in an integrated investment platform, combining core investment, technology and distribution capabilities.



2. Trustee

Successor Fund Transfers (SFTs) to established third-party trustees.

- The superannuation fund trustee, ClearView Life Nominees Pty Limited is currently considering a number of options and the best way forward for the superannuation fund, ClearView Retirement Plan.

Outcomes¹

- 40% stake in a focused and growth-oriented investment platform.
- New investment management team to drive performance and efficiency.
- Streamlined Group operations and corporate structure.
- Release of capital attributed to wealth management business (over time)

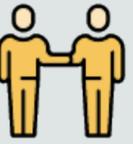
- Proceeds of \$17.3m including \$1.3m cash and 40% interest in Human Financial; sale of software intangible to Human Financial for \$2.7m payable over 3 years
- Profit on sale of \$3.4m² prior to costs to sell and separation of business
- Capital uplift of circa \$15m to Group capital position post completion
- Target completion: 1H FY24
- Stranded expenses of up to \$1.5m - primarily relate to rent, PI insurance and IT infrastructure costs shared between the different business units.

1. Subject to completion of transaction with Human Financial that is subject to certain conditions precedent.
2. Profit on sale includes expected pre completion dividend of circa \$2m

Our approach to ESG

Our vision is to support Australians to achieve their financial and wellbeing goals, and be a positive force for our staff, community and the environment. This vision lies at the heart of our Corporate Social Responsibility (CSR) strategy which reinforces our commitment to our People, Community, Customers and Partners, Environment and Shareholders.

Highlights to 31 December 2022

 People	 Community	 Customers/ Partners	 Environment	 Shareholders
<p>87% participation rate in Engagement Survey.</p> <p>Shift to hybrid work model that supports employee choice.</p> <p>9.69 training hours average per employee per annum.</p> <p>Support mental health and wellbeing through the ClearView ClearMind program.</p> <p>Staff voluntarily provided LGBTQA+ and disability status so that we can better support our people.</p>	<p>3 year partnership with charities selected by our employees.</p>   	<p>Launched new Wealth customer and adviser portals making it easier for users to do business with us.</p> <p>Support customers through our rehabilitation offering to help customers return to life and work goals.</p> 	<p>Converted 90% of fleet to hybrid vehicles.</p> <p>Quarterly newsletters now issued using biodegradable plastic packaging.</p> <p>Carbon neutral certified by Climate Active for financial year end 30 June 2022.</p> 	<p>Continued focus on generating strong shareholder returns</p> <p>Delivered training to the board of directors on ESG roadmap and SDGs.</p> <p>Strong focus on governance and diversity - investment in the senior leaders and diversity of the leadership team</p> <p>Net assets of \$476.7m as at 31 December 2022</p> 

Our CSR priorities will be aligned to the United Nations sustainable development goals relevant to our business operations. A materiality assessment is underway; key focus areas will be validated by stakeholders and outcomes published in our next Annual Report.





Outlook

Business Outlook

ClearView remains well positioned to take advantage of industry structural changes post a period of investment and simplification of the business



Increasingly attractive life insurance market with improving margins and returns driven by positive structural changes. Disruption in financial adviser market provides an opportunity - ClearView is well positioned to continue to take market share given strategic investment and business simplification



Near-term economic outlook remains cautious given increased interest rates and impacts on household budgets. A significant component of life insurance is funded from superannuation with overall lapse rates remaining subdued



Seeking to optimise insurance margin and further expansion of distribution footprint with Horizon 2 opportunities (including increasing risk retention and entering new customer segments of market)



Key focus is on successful further development of IT platform and progressively obtaining increased new business volumes and efficiencies from transformation over time



Resilient business model is underpinned by a large in-force and growing annuity style revenue base, coupled with price increases and inflation-linked premiums that is expected to substantially offset cost inflation pressures



Consistent with all insurers globally, ClearView is preparing for the implementation of the new insurance accounting standard, AASB 17 - Insurance Contracts, effective 1 July 2023. This will represent a material change in the accounting of life insurance contracts, previously dealt with under a 'margin on services' approach

Financial Outlook

Strong HY23 result - reflective of business momentum. Revised (upward) FY23 guidance to Underlying NPAT¹ of \$30m - \$32m



HY23 result reflects improving margins and benefits of transformation strategy and investment during periods of uncertainty



Continued growth in new business market share albeit overall market remains subdued. In-force trends to new business share (over time)



Inflation-linked premiums broadly offset cost inflation pressures – benefiting from rising interest rates



Due to the strong HY23 result, FY23 full year Underlying NPAT¹ guidance (excluding Centrepoint Alliance contribution) is increased from the range of \$28.5m to \$30m, to the **range of \$30m to \$32m**. Dividend policy remains unchanged at 40%-60% of Underlying NPAT



Earnings guidance includes the forecast FY23 wealth management drag on earnings (expected to be circa -\$2m Underlying NPAT impact in FY23). Divestment from wealth allows for removal of this drag on earnings post completion of transaction



Strong balance sheet and capital position – post completion of Human Financial transaction allows for further capital uplift of circa \$15m (over time)

1. Underlying NPAT before equity accounted interest includes Life Insurance and Wealth Management business units and the listed segment; excludes the equity accounted earnings of Centrepoint Alliance. Assumes the achievement of best estimate assumptions in 2H FY23 (in particular for claims and lapses). While estimates and allowances have been made in the claims and lapse assumptions adopted, given the uncertainty of the impacts of long COVID-19 or potential impacts from any deterioration in economic conditions or further (more severe) infections (and the related flow on effects to claims and affordability of premiums), actual experience in 2H FY23, relative to best estimate assumptions adopted, may be impacted and could potentially impact on Underlying NPAT. Includes last phase of staggered price increases on LifeSolutions portfolio and related shock lapse assumptions.

Glossary

AFSL	Australian Financial Service Licence; AR is an authorised representative
Underlying NPAT	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, underlying investment income and interest costs associated with corporate debt and Tier 2 Capital. Costs associated with the incurred claims treaty are reflected as part of reinsurance costs.
Underlying NPAT before equity accounted interest	Underlying NPAT before equity accounted interest includes Life Insurance and Wealth Management business units and the listed segment; excludes the equity accounted earnings of Centrepont Alliance from the date of completion (1 November 2021) or the contribution of the Financial Advice business until the date of sale in the prior comparable period. No adjustments have been made in each relevant period for stranded costs or other internal charges as a result of the sale of the financial advice businesses.
ClearView ClearChoice	New life insurance product range that was launched in October 2021 to align with APRA individual disability income insurance action plan
IP or IDII	Income protection or individual disability income insurance
FUM	Funds Under Management (ClearView Traditional Product (Master Trust), WeathFoundations and MIS), Funds Under Administration on the HUB24 platform including white labelled WealthSolutions 2 product and FUM in ClearView MIS platform funds on external platforms
Wealth Product Net Flows	Inflows less redemptions into FUM but excludes management fees outflow
Horizon 2 Opportunities	Includes growth opportunities for the life insurance business (post simplification), including but not limited to, increasing the reinsurance risk retention in light of the improved business outlook and overall Group capital position that supports this approach, entering into new customer channels to support its core IFA market channels and/ or other opportunities that supports its overall life insurance focused strategy
Embedded Value or EV	Embedded Value at 4% discount rate margin, including a value for future franking credits, accrued franking credits and ESP loans. Risk free rate of 3.5% adopted in HY23 (HY22: 2%).
PAS	New contemporary life insurance policy administration system and integrated automated underwriting rules engine, initially launched in FY22 for new business

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Investor inquiries

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Appendix Additional Financial Information

Consolidated FY22 results: Reconciliation of Underlying NPAT to Reported NPAT¹

6 Months to December 2022 (\$M) ¹	2020			2021			2022			2023	%
	1H	2H	FY20	1H	2H	FY21	1H	2H	FY22	1H	Change ²
Gross life insurance premiums	129.0	131.0	260.0	138.4	139.8	278.2	147.6	152.0	299.6	160.0	8%
Fund management fees	16.7	15.8	32.5	15.5	15.5	31.0	16.0	13.9	29.9	10.9	(32%)
Other Income	—	—	—	—	0.4	0.4	—	0.7	0.7	—	NM
Gross Income	145.7	146.8	292.5	153.9	155.7	309.6	163.5	166.7	330.2	170.9	5%
Net claims incurred	(22.6)	(35.5)	(58.1)	(19.1)	(25.4)	(44.5)	(21.0)	(24.2)	(45.2)	(19.6)	(7%)
Reinsurance premium expense	(41.3)	(45.5)	(86.8)	(50.2)	(54.0)	(104.2)	(58.0)	(60.6)	(118.6)	(67.4)	16%
Commission and other variable expenses	(31.8)	(29.8)	(61.6)	(29.0)	(29.6)	(58.6)	(32.1)	(31.7)	(63.8)	(28.7)	9%
Funds management expenses	(4.8)	(4.5)	(9.3)	(4.3)	(4.3)	(8.6)	(4.2)	(3.9)	(8.1)	(2.8)	(33%)
Operating expenses	(32.5)	(29.0)	(61.5)	(35.1)	(37.3)	(72.4)	(38.1)	(41.7)	(79.8)	(39.9)	5%
Movement in policy liabilities	(0.3)	0.6	0.3	1.1	10.5	11.6	9.6	15.5	25.1	9.5	(1%)
Income tax (expense) / benefit	(3.5)	(0.9)	(4.4)	(5.2)	(4.6)	(9.8)	(5.7)	(6.0)	(11.7)	(6.5)	13%
Net underlying interest income	0.7	0.7	1.5	(0.2)	(1.1)	(1.3)	(1.4)	(0.7)	(2.1)	0.8	Large
Equity accounted minority interest (Financial Advice)	—	—	—	—	—	—	0.2	0.3	0.5	1.7	Large
Underlying NPAT (Continued Operations)	9.6	2.9	12.5	12.1	9.6	21.7	12.7	13.7	26.4	18.0	41%
Financial Advice (Discontinued Operations)	0.6	1.7	2.3	0.9	0.1	1.0	(0.7)	(0.1)	(0.8)	—	(100%)
Underlying NPAT	10.2	4.6	14.7	13.0	9.7	22.7	12.0	13.6	25.7	18.0	50%
Policy liability discount rate effect	(0.4)	2.6	2.2	(1.3)	(10.1)	(11.4)	(2.4)	(8.9)	(11.3)	(8.1)	246%
Impairments	—	(2.6)	(2.6)	(0.6)	(0.9)	(1.5)	(0.8)	—	(0.8)	—	(100%)
Wealth Project Costs	—	(1.4)	(1.4)	(1.5)	(1.6)	(3.1)	—	—	—	—	NM
Direct Remediation Program, Direct Closure Provision and Royal Commission Costs	—	—	—	—	—	—	—	(0.3)	(0.3)	—	NM
Sale of Advice Business	—	—	—	—	—	—	11.8	(0.3)	11.5	—	NM
Strategic Review Costs	—	—	—	—	—	—	(2.0)	(0.4)	(2.4)	(0.4)	(79%)
Other costs	—	0.2	0.2	0.1	(0.2)	(0.1)	(0.4)	(0.8)	(1.2)	(1.0)	129%
Reported NPAT	9.8	3.3	13.1	9.7	(3.0)	6.7	18.2	3.0	21.2	8.4	(54%)

Notes

- 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. Financial information from continuing operations- includes Life Insurance and Wealth Management business units, listed segment and equity accounted earnings of Centrepoint Alliance from the date of completion (1 November 2021). No adjustments have been made in the relevant period for stranded costs or other internal charges as a result of the sale of the financial advice businesses.
- % change represents the movement from HY22 to HY23

Life insurance

6 Months to December 2022 (\$M) ¹	2020			2021			2022			2023	%
	1H	2H	FY20	1H	2H	FY21	1H	2H	FY22	1H	Change ²
Gross life insurance premiums	129.0	131.0	260.0	138.4	139.8	278.2	147.6	152.1	299.6	160.0	8%
Other income	—	—	—	—	0.2	0.2	—	—	—	—	—%
Net claims incurred	(22.6)	(35.5)	(58.1)	(19.1)	(25.5)	(44.5)	(21.0)	(24.2)	(45.2)	(19.6)	(7%)
Reinsurance premium expense	(41.3)	(45.5)	(86.8)	(50.2)	(54.0)	(104.2)	(58.0)	(60.5)	(118.6)	(61.3)	6%
Commission and other variable expenses	(29.0)	(27.2)	(56.2)	(26.4)	(26.9)	(53.3)	(29.8)	(29.9)	(59.7)	(33.4)	13%
Operating expenses	(24.4)	(21.6)	(46.1)	(26.1)	(28.2)	(54.3)	(29.3)	(31.1)	(60.4)	(30.5)	4%
Movement in policy liabilities	(0.3)	0.6	0.3	1.1	10.5	11.6	9.6	15.5	25.1	9.5	(1%)
Income tax (expense) / benefit	(3.4)	(0.8)	(4.2)	(5.3)	(4.8)	(10.1)	(5.6)	(6.3)	(11.9)	(7.4)	32%
Net underlying interest income	0.7	0.9	1.6	0.4	0.2	0.6	(0.1)	0.4	0.3	2.1	38%
Underlying NPAT	8.7	1.7	10.4	12.8	11.3	24.1	13.3	16.0	29.2	19.4	46%
Policy liability discount rate effect (after tax)	(0.4)	2.6	2.2	(1.3)	(10.1)	(11.4)	(2.4)	(8.9)	(11.3)	(8.1)	246%
Impairments	—	(2.6)	(2.6)	(0.6)	(0.9)	(1.5)	—	—	—	—	—%
Cost Out Program Implementation Costs	(0.1)	(0.5)	(0.6)	—	—	—	—	—	—	—	—%
Direct Remediation Program and Royal Commission Costs	(0.5)	0.1	(0.4)	—	—	—	—	—	—	—	—%
Other costs	—	0.3	0.3	—	—	—	(0.3)	(1.0)	(1.3)	(1.1)	244%
Reported NPAT	7.6	1.7	9.4	10.9	0.3	11.2	10.6	6.1	16.6	10.1	(5%)

Analysis of Profit (\$M)	2020			2021			2022			2023	%
	1H	2H	FY20	1H	2H	FY21	1H	2H	FY22	1H	Change ²
Expected Underlying NPAT³	15.5	15.3	30.8	14.3	13.0	27.3	13.7	13.5	27.2	17.9	31%
Claims experience	(4.7)	(7.8)	(12.5)	3.2	1.0	4.2	0.5	2.9	3.4	0.8	60%
Lapse experience	(1.4)	0.1	(1.3)	(0.9)	4.6	3.7	0.2	4.0	4.2	1.7	Large
Expense experience	0.3	(0.1)	0.2	(2.7)	(4.0)	(6.7)	(1.1)	(1.7)	(2.8)	(1.3)	18%
Other	(1.0)	0.1	(0.9)	(1.1) ⁴	(0.3)	(1.5) ⁴	0.1 ⁴	1.8	1.7	1.0	Large
Actual Underlying NPAT before claims assumptions	8.7	7.6	16.3	12.8	14.2	27.0	13.3	20.5	33.7	20.1	51%
Claims Assumptions Changes	—	(5.9)	(5.9)	—	(2.9)	(2.9)	—	(2.5)	(2.5)	—	NM
Long COVID/reopened claims	—	—	—	—	—	—	—	(2.1)	(2.1)	(0.7)	NM
Actual Underlying NPAT	8.7	1.7	10.4	12.8	11.3	24.1	13.3	16.0	29.2	19.4	46%

Key Statistics And Ratios (\$M)	2020			2021			2022			2023	%
	1H	2H	FY20	1H	2H	FY21	1H	2H	FY22	1H	Change ²
New Business	14.2	10.1	24.2	8.4	7.9	16.3	10.4	9.8	20.2	11.3	9%
LifeSolutions	14.2	10.1	24.2	8.4	7.9	16.3	8.9	1.1	10.0	—	Large
ClearChoice	0.0	0.0	0.0	0.0	0.0	0.0	1.5	8.7	10.2	11.3	Large
In-Force	260.6	270.8	270.9	282.0	289.8	289.9	297.3	311.4	311.4	325.1	
LifeSolutions	223.9	234.9	234.9	246.6	254.5	254.5	260.6	266.3	266.3	269.7	3%
Direct	36.7	35.9	35.9	35.4	35.3	35.3	35.2	34.9	34.9	34.2	(3%)
ClearChoice	—	—	—	—	—	—	1.5	10.2	10.2	21.2	Large
Cost to Income Ratio	19.7%	17.1%	18.4%	19.6%	20.1%	19.5%	19.8%	20.5%	20.2%	19.1%	

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 HY22 to HY23.
3. Expected Underlying NPAT of \$17.9m reflects expected profit margins on in-force portfolios based on actuarial assumptions. Includes changes made to assumptions at 30 June 2022 and potential impacts from COVID-19.
4. Other predominately relates to a reduction of net interest rates earned, additional commission payments due to the reduction in outstanding premiums between periods and volume and pricing variances to expected.

Wealth Management

6 Months to December 2022 (\$M) ¹	2020			2021			2022			2023	%
	1H	2H	FY20	1H	2H	FY21	1H	2H	FY22	1H	Change ²
Fund management fees	16.7	15.7	32.5	15.5	15.5	31.0	16.0	13.9	29.9	10.9	(32%)
Other income	—	—	—	—	0.2	0.3	—	—	—	—	NM
Funds management expenses	(4.8)	(4.5)	(9.3)	(4.3)	(4.3)	(8.6)	(4.2)	(3.9)	(8.1)	(2.8)	(33%)
Variable expense ³	(2.8)	(2.6)	(5.4)	(2.5)	(2.7)	(5.3)	(2.2)	(1.9)	(4.1)	(1.4)	(36%)
Operating expenses	(7.4)	(6.7)	(14.1)	(8.3)	(8.7)	(16.9)	(8.1)	(9.8)	(17.9)	(8.5)	5%
Income tax (expense) / benefit	(0.2)	(0.2)	(0.4)	0.1	0.1	0.2	(0.3)	0.5	0.2	0.6	Large
Underlying investment income	0.2	0.1	0.3	0.1	—	0.1	—	—	0.1	0.3	Large
Underlying NPAT	1.6	2.0	3.6	0.6	0.1	0.7	1.1	(1.2)	(0.1)	(1.0)	Large
Wealth Project Costs	—	(1.4)	(1.4)	(1.5)	(1.6)	(3.1)	—	—	—	—	0%
Other costs	—	—	—	—	(0.2)	(0.2)	(0.1)	(0.1)	(0.2)	0.1	Large
Reported NPAT	1.6	0.6	2.2	(0.8)	(1.7)	(2.5)	1.0	(1.3)	(0.3)	(0.8)	Large

Key Statistics And Ratios (\$M)	2020			2021			2022			2023	%
	1H	2H	FY20	1H	2H	FY21	1H	2H	FY22	1H	Change ²
Net Flows	65.8	30.2	96.0	80.0	169.3	249.3	153.1	32.8	185.9	1.0	(99%)
Master Trust	(52.6)	(41.1)	(93.7)	(45.4)	(37.2)	(82.6)	(34.0)	(481.9)	(515.9)	(4.0)	(88%)
WealthSolutions	50.4	16.6	67.0	(60.0)	(34.8)	(94.8)	(47.5)	(51.9)	(99.4)	(66.0)	39%
WealthSolutions 2	—	—	—	110.9	183.2	294.1	193.0	83.1	276.1	98.0	(49%)
WealthFoundations	73.6	68.7	142.3	80.4	76.6	157.0	40.6	479.4	520.0	(11.0)	(127%)
External Platforms	(5.6)	(14.0)	(19.6)	(5.9)	(18.5)	(24.4)	1.0	4.1	5.1	(16.0)	Large
Total FUM (\$B)	2.9	2.8	2.8	3.0	3.4	3.4	3.6	3.3	3.3	3.3	(8%)
Master Trust	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.1	0.1	0.1	(86%)
WealthSolutions	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.2	1.2	1.1	(21%)
WealthSolutions 2	—	—	—	0.1	0.3	0.3	0.5	0.6	0.6	0.7	40%
WealthFoundations	0.5	0.6	0.6	0.7	0.8	0.8	0.9	1.3	1.3	1.3	44%
External Platforms	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	(50%)
Cost to Income Ratio	44.5 %	42.4 %	43.5 %	53.2 %	56.1 %	54.6 %	50.9 %	70.3 %	59.9 %	78.6 %	

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 HY22 to HY23.
3. Variable expenses include the platform fee payable on WealthSolutions and the intra fund advice fee (payable to Centrepoint Alliance from 1 November 2021) on the Master Trust (traditional) product in the relevant period. The intra fund advice fee ceased on transition of the traditional product to the WealthFoundations product in 2H FY22

Listed/Group Segment

12 Months to June 2022 (\$M) ¹	2020			2021			2022			2023		%
	1H	2H	FY20	1H	2H	FY21	1H	2H	FY22	1H	Change ²	
Other income	—	—	—	—	—	—	—	0.7	0.7	—	NM	
Operating expenses	(0.6)	(0.7)	(1.4)	(0.7)	(0.4)	(1.2)	(0.7)	(0.8)	(1.6)	(0.8)	9 %	
Income tax (expense) / benefit	0.1	0.1	0.3	—	—	—	0.1	(0.1)	0.1	0.3	96 %	
Net underlying investment income	(0.2)	(0.3)	(0.4)	(0.7)	(1.3)	(1.9)	(1.3)	(1.2)	(2.5)	(1.6)	24 %	
Equity accounted investment in minority interest (Financial Advice)	—	—	—	—	—	—	0.2	0.3	0.5	1.7	Large	
Underlying NPAT	(0.7)	(0.9)	(1.6)	(1.4)	(1.7)	(3.1)	(1.6)	(1.1)	(2.8)	(0.4)	Large	
Cost Out Program Implementation Costs	1.1	(0.2)	0.9	—	—	—	—	—	—	—	— %	
Direct Closure, Remediation Program and Royal Commission Costs	—	0.3	0.3	—	—	—	—	0.0	0.0	—	— %	
Impairments	—	—	—	—	—	—	(0.8)	0.0	(0.8)	—	— %	
Sale of Advice Business	—	—	—	—	—	—	11.8	(0.3)	11.5	—	— %	
Strategic Review Costs	—	—	—	—	—	—	(2.0)	(0.4)	(2.4)	(0.4)	Large	
Other costs	—	(0.2)	(0.2)	—	—	—	—	0.0	0.0	—	— %	
Reported NPAT	0.4	(1.0)	(0.6)	(1.4)	(1.7)	(3.1)	7.4	(1.8)	5.5	(0.8)	Large	

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 HY22 to HY23.



**Balance Sheet,
Embedded value
and capital position
at 31 December 2022**

Balance sheet as at 31 December 2022

Commentary²

Net Asset and Capital Position

- Net assets (pre-ESP loans) of \$476.7m, net of \$13.0m FY22 cash dividend
- Surplus capital above internal benchmarks of \$14.6m⁶

Cash, debt and investments

- Net cash and investments position of \$390.5m
 - Cash and cash equivalents of \$88.6m; \$391.9m invested in highly rated fixed income securities
 - \$16m drawn down under \$60m debt facility; \$74m Tier 2 capital raised reflected as subordinated debt (net of costs)
- Investment in associate of \$14.9m

Goodwill and intangibles

- Goodwill of \$12.5m supported by life and wealth CGUs
- Intangibles of \$22.9m predominantly relates to capitalised software costs associated with life insurance systems development

Life Insurance policy liabilities

- Life insurance policy liability decrease reflecting change in the life insurance business (DAC), interest rate effects between periods and implementation of incurred claims treaties

Consolidated Balance Sheet (shareholder view)¹

	HY23	FY22
Assets		
Cash and cash equivalents	88.6	119.0
Investments	391.9	385.1
Investment in associate	14.9	13.7
Receivables	34.6	35.2
Deferred tax asset	7.5	4.9
Property, Plant & Equipment	0.8	0.5
Right of use asset	8.9	10.5
Goodwill	12.5	12.5
Intangibles	22.9	17.4
Total assets	582.6	598.8
Liabilities		
Payables	46.3	49.4
Current tax liability	(4.2)	(2.1)
Lease liability	9.7	11.2
Provisions	6.0	6.3
Life insurance ³	(42.0)	(37.0)
Borrowings ⁴	16.0	16.0
Subordinated debt ⁵	74.0	73.9
Deferred tax liabilities	—	—
Total liabilities	105.8	117.7
Net assets	476.7	481.1

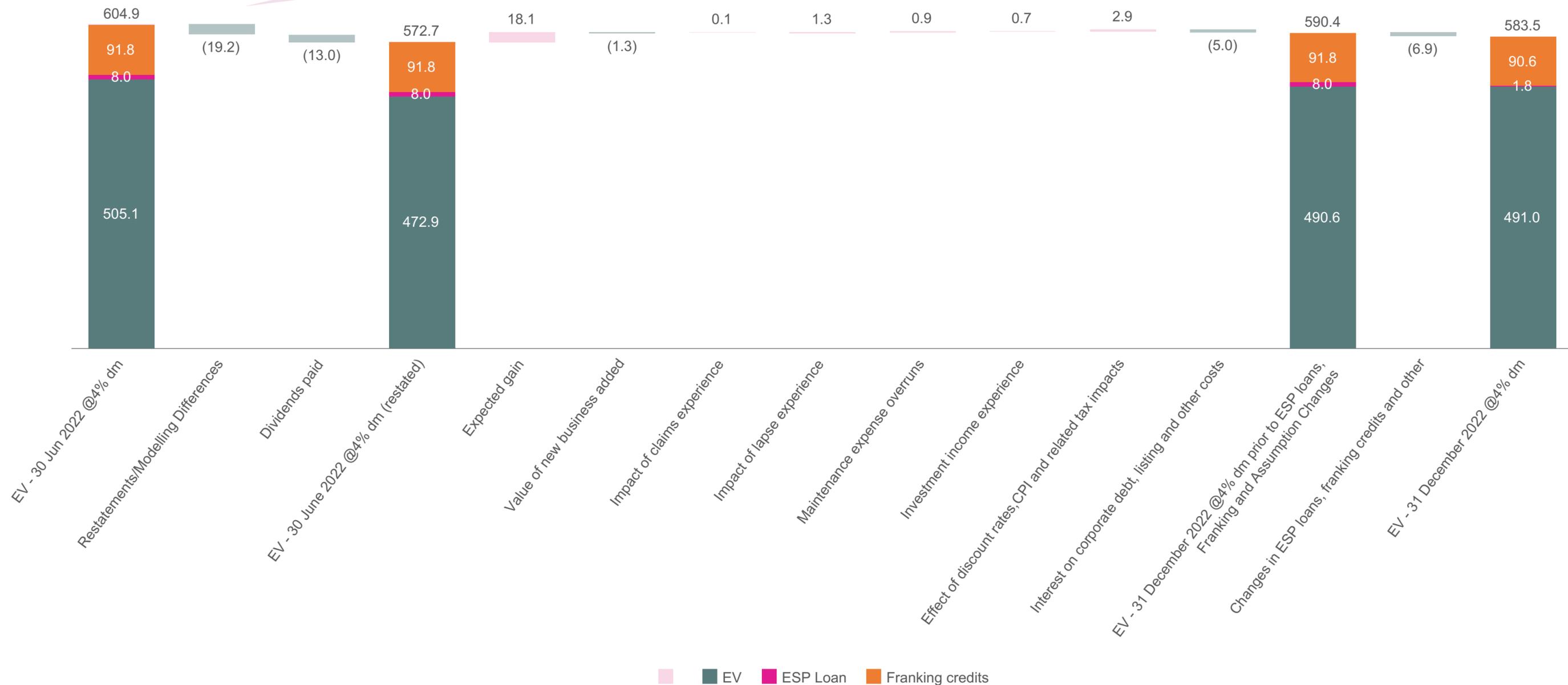
Notes

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 31 December 2022 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, \$16m drawn at 31 December 2022.
5. ClearView raised \$75m (net of \$1m of costs) of Tier 2 capital in November 2020.
6. Net capital position of \$14.6m as at 31 December 2022 includes a working capital reserve of \$0.3m that is released after which time the underlying business becomes self funding.

Embedded Value movement analysis

Embedded Value^{1,2} Waterfall: FY22-HY23 (\$M)

Restatement of wealth management EV to net assets



Notes

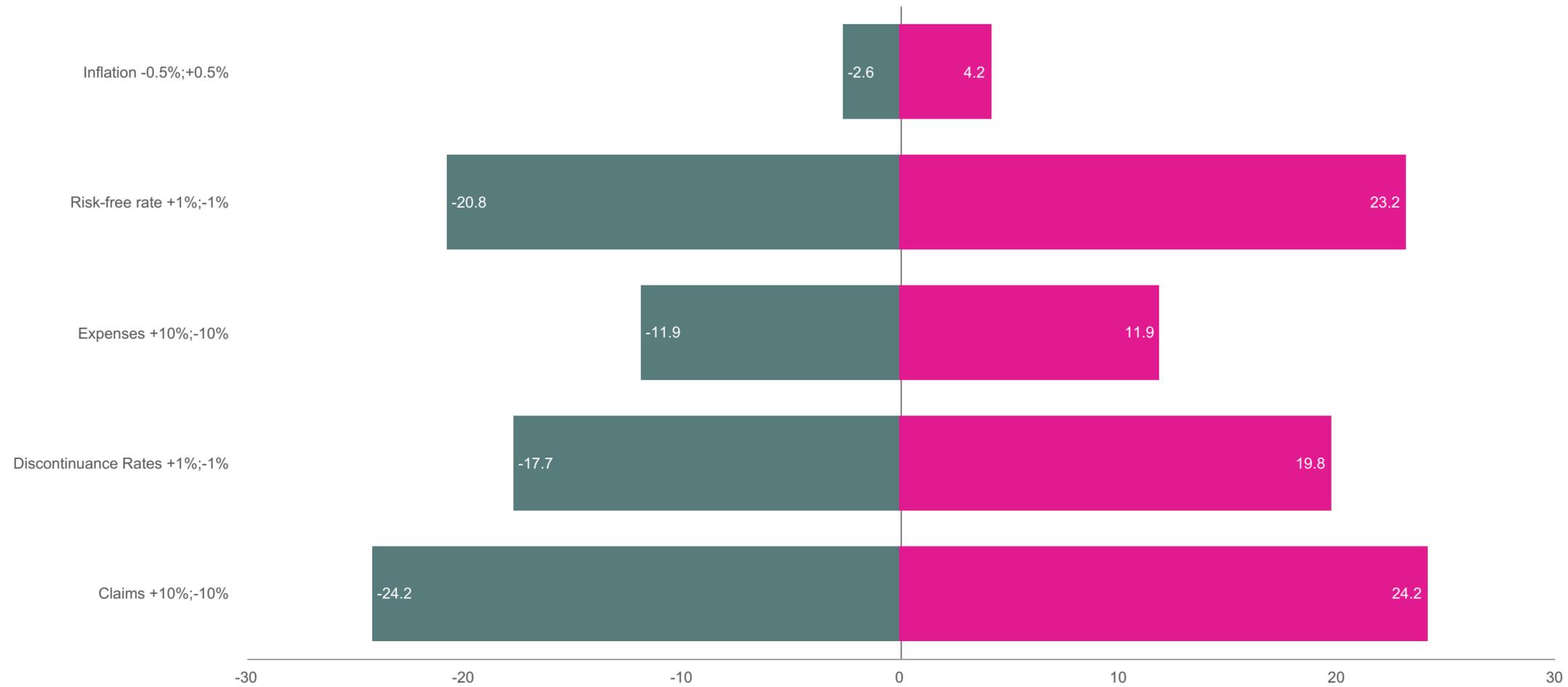
1. Embedded Value at 4% discount rate margin, including a value for future franking credits, accrued franking credits and Employee Share Plan (ESP) loans. Risk free rate of 3.5% adopted in HY23 (HY22:2%)
 2. Further planned staggered premium rate changes and related shock lapse assumptions across the LifeSolutions in-force portfolio have been allowed for in policy liabilities and EV calculations at 31 December 2022.

EV movement analysis @ 4% DM by segment at 31 December 2022

MOVEMENT ANALYSIS @ 4% dm	Life	Wealth	Other	Total
EV - 30 June 2022 @ 4% dm (As Published) incl Franking Credits and ESP Loans	541.9	46.1	17.0	605.0
Restatements/modeling difference	—	(19.2)	—	(19.2)
Dividends paid	—	—	(13.0)	(13.0)
EV - 30 June 2022 @ 4% dm (Restated)	541.9	26.8	4.0	572.7
Movements to December 2022				
Expected gain	17.3	(0.8)	1.6	18.1
Value of new business added	(1.3)	—	—	(1.3)
Impact of claims experience	0.1	—	—	0.1
Impact of discontinuance experience	1.3	—	—	1.3
Maintenance expense experience	0.9	—	—	0.9
Investment income experience	0.7	—	—	0.7
Effect of change in discount rates, CPI and related tax impacts	2.9	—	—	2.9
Interest on corporate debt, listing and other costs	(2.0)	—	(3.0)	(5.0)
EV - 31 December 2022 @ 4% dm (including Franking Credits and ESP Loans) prior to changes in ESP loans, franking credits and assumptions	561.8	26.0	2.6	590.4
Changes in ESP loans, franking credits and other	8.2	(8.2)	(6.9)	(6.9)
EV - 31 December 2022 @ 4% dm (including Franking Credits and ESP Loans)	570.0	17.8	(4.3)	583.5

EV sensitivity analysis @4% DM¹

EV Sensitivity Analysis - Life @ 4% dm (\$mil)



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). "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 HY23 EV is 3.5% (HY22: 2%).

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