

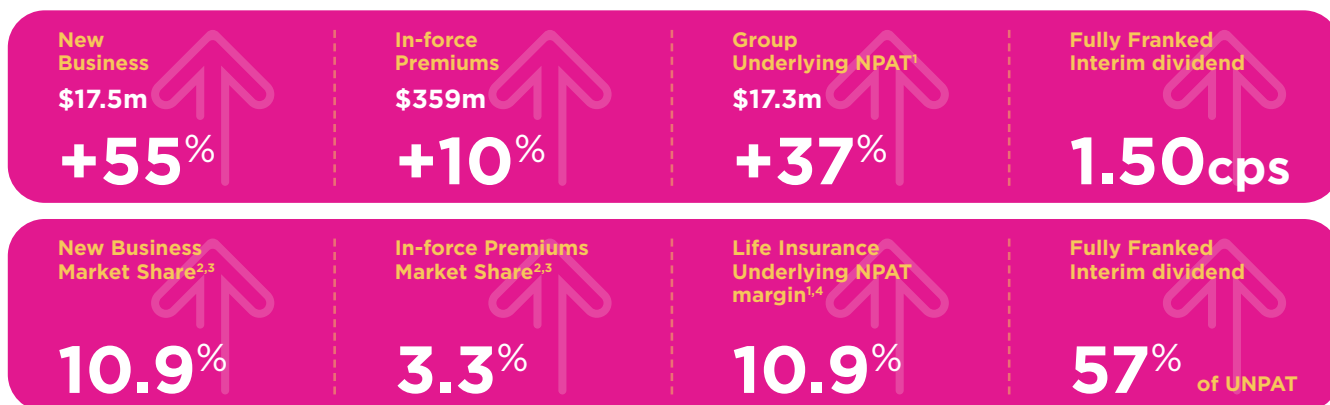
# Market Release

22 February 2024

## ClearView reports 37% increase in Underlying NPAT<sup>1</sup> to \$17.3m in HY24 under new accounting standard AASB 17, introduction of interim fully franked dividend of 1.50cps

Life insurance company, ClearView Wealth Limited (**ClearView**) (ASX: CVW) has reported a \$17.3 million Underlying Net Profit after Tax (**UNPAT**) for the six months to 31 December 2023, up 37% on the previous corresponding period, reported under the new accounting standard AASB 17.

### Half year highlights



- Life insurance UNPAT up 37% to \$17.3m
- Life insurance new business up 55% to \$17.5m
- Gross premium income up 11% to \$178m
- New business market share of 10.9%, inforce market share of 3.3%
- Underlying NPAT margin of 10.9%
- Significant progress towards Wealth Management exit, completion on track for 1H FY25
- Higher interest rate environment, positively impacting investment earnings
- Scale and efficiency benefits from investment in transformation and technology expected to flow through from the end of FY25

## Commentary

ClearView's strong HY24 results highlight the group's successful transition from a diversified financial services company to a pure life insurance business that is focused on extending its strong position in the Australian advised life insurance market.

During the half, ClearView continued to increase its life insurance market share, with new business market share climbing to 10.9% and inforce market share increasing to 3.3%, building on the strength of the group's flagship product series, ClearView ClearChoice, excellent customer service, and expanding adviser distribution footprint.

ClearView Managing Director Nadine Gooderick said the group's focus on simplification and ongoing investment in technology and transformation over the past few years had seen it exit unprofitable segments and give the business a clear strategy and clear targets for FY26.

"We are solely focused on delivering high quality life insurance solutions and excellent service to our customers. We have invested significantly in people, processes and technology, and this investment underpins our long-term growth profile," Ms Gooderick said.

"We are already starting to see some scale and efficiency benefits, as a result of our multi-year transformation program, and we expect material improvements from the end of FY25."

More broadly, Ms Gooderick said the life insurance industry's positive outlook was underpinned by economic and demographic tailwinds including higher interest rates, population growth and increasing levels of household wealth and debt.

"Australians need adequate life insurance. Rising levels of household wealth and debt reinforce the importance of life insurance to help Australians maintain their lifestyle and protect their loved ones in the event of a major injury or illness, or premature death," she said.

## HY24 fully franked interim cash dividend of 1.50cps

After an increased FY23 final cash dividend of 3cps (up 50% on the prior comparable period), ClearView has now declared its first interim dividend, fully franked and payable on 22 March 2024.

This represents a payout ratio of 57%, towards the top end of our dividend range (40% - 60%). This range will be reviewed post-IT transformation and wealth management exit.

### Key details related to the HY24 dividend are below:

**Amount of dividend:** 1.50 cents per share

**Ex-dividend date:** 7 March 2024

**Record date:** 8 March 2024

**Payment date:** 22 March 2024

## Business outlook

The successful execution of ClearView's simplification and transformation strategy now sees the business emerge as a life insurance business that is focused on protecting and optimising its position as a dynamic challenger.

ClearView's strategy is to increase its share of the life insurance market; achieving operational excellence in the core life insurance functions of product, underwriting, claims and rehabilitation; and exploring potential growth and diversification opportunities.

ENDS

1. Underlying NPAT (from continuing operations) continues to be adopted by the Board as its key measure of Group profitability and basis for dividend payment decisions. It is used as a non IFRS measure of earnings that excludes the impacts of market and interest rate volatility, with the definition updated to reflect the application of AASB 17. Underlying NPAT (from continuing operations) has been defined as the consolidated profit after tax excluding the effects of economic changes on both the AASB 17 policy liability and the incurred income protection claims liabilities, the (non-cash) impairment of the asset for acquisition cash flows (AIACF), capitalised loss recognition that is predominantly driven by the level premium business and any costs considered unusual to the Group's ordinary activities. Underlying NPAT includes the underlying investment income (the portfolio carry yield on the investment portfolio and interest rate earned on physical cash holdings), costs associated with the incurred claims reinsurance treaties and interest costs associated with corporate debt and Tier 2 Capital.
2. ClearView calculations based on NMG Risk Distribution Monitor Reports for Retail Advice In-force and New Business Analysis for relevant periods –NMG Market analysis includes total of 'Retail' consistently applied (that is, IFA, Bank Advice and Aggregator channels).
3. HY24 new business market share based on NMG Risk Distribution Monitor Reports for Retail Advice New Business Analysis – NB market share based on rolling 12 months to 31 December 2023. HY24 inforce market share as at 30 September 2023 based on NMG Risk Distribution Monitor inforce report.
4. Is calculated as Life Insurance Underlying NPAT divided by Gross Premium Income.

For more information, please contact:

#### **Investor inquiries**

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#### **Approval of Announcement**

The Board of Directors of ClearView has authorised the release of this announcement to the market.

#### **About ClearView**

Established in 2010, ClearView is an ASX-listed life insurance business that partners with financial advisers to help Australians protect their wealth.

In FY23, ClearView paid \$127.35 million in claims to 1,032 claimants across all our products.

ClearView manages over \$350 million in inforce premiums and has relationships with over 1,000 Australian Financial Services Licensees, representing around 5,000 financial advisers.

For more information visit **[clearview.com.au](https://clearview.com.au)**