

Half Year 2013 Results

SIMON SWANSON – MANAGING DIRECTOR ATHOL CHIERT – CHIEF FINANCIAL OFFICER

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ClearView

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References to underlying net profit is the Board's key measure of profitability and the basis on which the dividend payment is determined. It consists of profit after tax adjusted for amortisation, the effect of changing discount rates on the insurance policy liabilities and takeover bid related costs considered unusual to the Group's ordinary activities.



CLEARVIEW JOURNEY

ClearView has achieved a lot in the past 3 years ... it has developed into an attacking life insurance and wealth management business

Development and Integration Phase

- Successful integration of acquired business and achievement of cost savings
- Building out of new management team
- Development and launch of new suite of non advice products
- Upgrade of life administration platform for direct products

Expanded Opportunity

- Development and launch of LifeSolutions, life advice products and services
- Development and launch of Super & IDPS wrap platform, WealthSolutions
- Commenced recruiting experienced and successful advisers (25 recruited)
- Commenced establishing distribution agreements with IFAs (27)

Growth Underway

- Recruiting experienced and successful advisers (further 27 recruited; 52 in total)
- Establishing distribution agreements with IFAs (further 34 established; 61 in total)
- takeover bid; new supportive and committed shareholder base
- ✓ \$9.9m new life sales; annualised run rate of circa \$20m
- ✓ \$114m FUM on new WealthSolutions platform
- ✓ Investment in automation and efficiency – currently a work in progress

company; renamed ClearView
✓ Acquired platform for growth

focused wealth and life

✓ Transformed MMC into

✓ Completed acquisition of MBF

Life and ClearView on 9 June

Transforming

Acquisition

2010

FY10 FY11 FY12 FY13 3



BUSINESS OVERVIEW

ClearView is a diversified Australian financial services company with businesses that provide integrated life insurance, wealth management and financial advice solutions.

Life Insurance

Life Advice

- LifeSolutions product suite including term life, trauma, TPD and income protection
- Distributed by financial advisers in the ClearView dealer group and third party dealer group (APLs)

Non Advice

- Life, accidental death, injury cash, funeral plan and serious illness life protection products
- Direct distribution through internet, telemarketing and Strategic Partners (including Bupa Australia)

Wealth Management

Wrap & Investments

- WealthSolutions wrap platform including 250 managed funds, ASX listed securities, term deposits, 7 ClearView managed funds and 8 model portfolios
- Distributed predominantly by ClearView employed financial advisers

Master Trust

- Old super, roll overs, allocated pension, 10 historic MIS
- Old master trust business in run off; fully priced into EV

Financial Advice

ClearView Dealer Group

- 25 employed advisers (salaried employees)
- 17 franchised advisers (share of adviser fee)
- 52 aligned advisers (no share of adviser fee; cost recovery)

Aligned Advisers

- Significant growth prospects
- Participation in the Employee Share Plan (ESP)





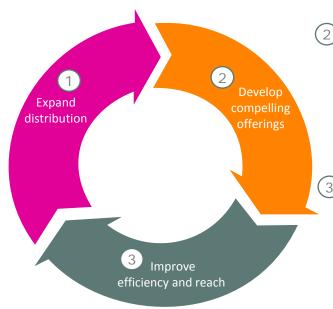
Competitive Advantage: Nimble attacking life, wealth and advice operator. Higher service model for the IFA segment.

ClearView will capitalise on its competitive advantages to profitably gain share from the incumbents

ClearView will expand its distribution presence across the IFA and direct channels

Competitive Advantages

- High quality support network with real responsiveness
- Flexible products that meet consumer and adviser needs
- Not a bank without the bureaucracy



2 ClearView will attack profitable markets through new product offerings

Competitive Advantages

- Nimble player enabling speed to market
- Engaged and proactive culture focused on meeting customer and adviser needs

(3) ClearView will improve the efficiency and reach of its operations to expand margins

Competitive Advantages

- Investment in automation/efficiency currently a work in progress
- Intense focus on key service elements

Values: Persistence; Authenticity; Integrity; Collaboration

Principles: Professional; Considered; Rule of Logic; Focused & Planned



1H FY13 HIGHLIGHTS DECEMBER 2012

Underlying Profit	Embedded Value	Life Growth – In force	Wealth Growth – FUM
\$8.5m (1H FY12 \$9.1m)	\$261m ³ (\$243m) ²	\$53.5m (\$40.3m)	\$1.43bn (\$1.38n)
7% -	5%	33%	4%
Adverse claims volatility: Experience loss of \$1.1m ¹ vs experience profit of \$1.8m in 1H FY12 ¹ ; Net claims expense \$2.7m higher than 1H FY12	Negatively impacted by FY12 and special dividends (\$18m) and takeover bid related costs (\$4m)	Growth driven by launch of LifeSolutions and related execution of distribution strategy	Improvement in net outflows related to the Dec 2011 launch of WealthSolutions
Improved lapse experience (experience profit of \$0.1m)	Benefited from: Strong in force life premium growth and positive FUM increase driven by investment markets	New business premium of \$9.9m; Implies a run rate of \$20m per annum	WealthSolutions net inflows of \$76m in 1H FY13
Loss of investment earnings from payment of dividends, takeover bid costs and lower cash earning rate (\$0.3m)	Discount rate disclosures improved to reflect EV at various risk margins over risk free rate; potential value of imputation credits of \$40m	Stepped change in distribution and growth profile; Continued investment in business for growth prior to revenue/profits flow through	WealthSolutions FUM of \$114m
Higher effective tax rate in 1H FY13 (\$0.9m); Underlying NPBT up 4%	Excludes the potential value of future growth, listing & short term development and growth related costs	Given timing of new business and accounting, these sales did not contribute materially to 1H FY13 profit	Increased focus on wealth distribution from 2H FY13

¹ Given the current size of the life insurance portfolio and reinsurance arrangements in place some statistical claims volatility can be expected from period to period; Claims experience is anticipated to average out over time at the actuarial best estimate assumptions

² Previously reported EV of \$265m at 30 June 2012 reduced for dividends (\$18m) and takeover bid related costs (\$4m) and excluding a value for future franking credits of \$36m.

³ EV at 31 December 2012 at 6% discount rate risk margin; Approximately \$6.5m higher than the previous approach used for the reported EV at 30 June 2012. 5% growth excluding change in basis



EXECUTING ON DISTRIBUTION

ClearView Dealer Group

Recruitment of experienced and successful financial advisers to ClearView (with a share offering to align interests)

ClearView Financial Advisers¹

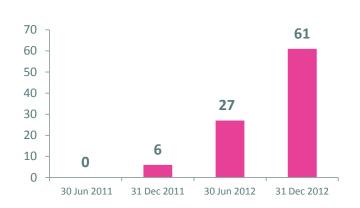


- Number of aligned advisers has more than quadrupled over the past 12 months
- Dealer group has \$1.86bn of external FUA and \$57.2m in force life premiums under advice
- Includes \$805m FUA and \$52.3m of in force life premiums from aligned advisers

3rd Party Dealer Groups

Entry into broader advice market through independent advisers – Approved Product Lists (APLs)

APLs with ClearView Product



Strategic Partners

- 10 strategic partners including exclusive distribution alliance with Bupa Australia
- Multiple channels; internet, member centres, call centre referrals and telemarketing

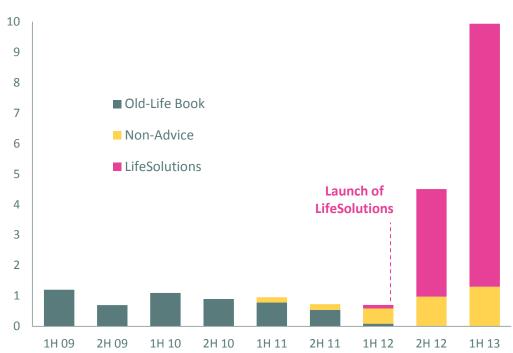


LIFE INSURANCE GROWTH

IN FORCE PREMIUM¹



NEW BUSINESS

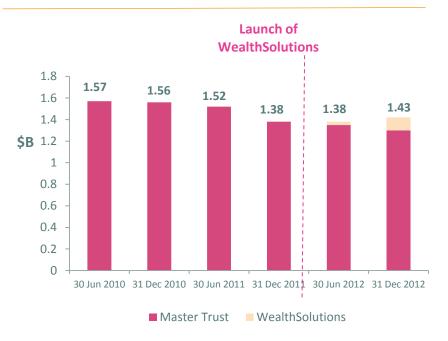


- In force growth driven by launch of LifeSolutions suite of products in Dec 2011, which reflects the early success of our strategy in the retail life advice market
- New business of \$9.9m in the 6 months to 31 Dec 2012 compared to \$0.8m in the 6 months to 31 Dec 2011
- LifeSolutions accounts for \$12.4m or 23% of total in force premium as at 31 Dec 2012

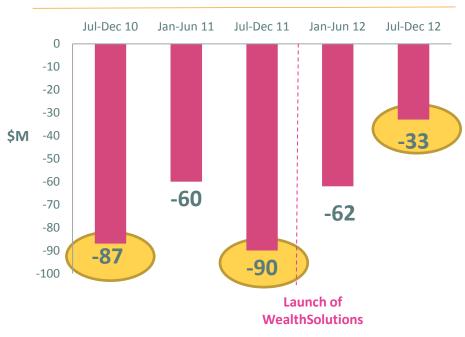


WEALTHSOLUTIONS GAINING TRACTION

CLOSING FUM



FUM NET FLOWS¹



- WealthSolutions as at 31 Dec 2012 accounted for \$114m or 8% of total FUM (albeit at lower margin than Master Trust FUM); net outflow over comparable half year periods reduced by circa 63%
- Master Trust FUM continues to be impacted by run-off of historical book (accounted for in the EV); opportunity given impending regulatory changes and potential diversification to scaled advice model
- Sector funds continued to outperform their benchmarks
- Difficult market for financial products; risk of environment and significant regulatory changes



1H FY13 Results

FINANCIAL RESULTS



SEGMENT P&L – 1H FY13

6 MONTHS, \$M ¹	FY13	FY	'12	COMMENTS
	1H	1H	2H	
Life Insurance profit	4.0	5.5	5.6	Unfavourable claims experience loss of \$1.1m million after tax (\$1.8m experience profit in pcp), partially offset by the lapse experience profit of \$0.1m after tax (experience losses of \$0.8m in pcp). Net claims expense \$2.7m higher than pcp. Given timing of new business written and accounting treatment, the new business written of \$9.9m did not contribute materially to 1H FY13 profit. Refer to slide 23 for further details.
Wealth Management profit	3.8	3.4	4.1	Average FUM levels increased over half year due to positive investment market performance and improved net FUM outflows, albeit with WealthSolutions new inflows written at a lower margin. Expenses reduced from FY12 due to product development costs in prior year. Higher effective tax rate in FY13. Refer to slide 27 for further details.
Financial Advice profit	0.4	(0.6)	0.0	Profit improvement driven by reduction in cost base including increased allocation of shared services overhead to life (from growth in business). Result in 1H FY13 includes \$0.2m (after tax) recoveries from prior period planner advice claims.
Listed entity and other	0.3	0.8	0.4	Loss of investment earnings from payment of dividends, takeover related bid costs and lower cash earning rate (\$0.3m after tax).
Underlying NPAT	8.5	9.1	10.1	Underlying business performing to expectation, however adverse claims volatility in 1H FY13 impacted on underlying profit. Claims experience is anticipated to average out over time at the actuarial best estimate assumptions.
Amortisation	(3.8)	(3.4)	(3.4)	Non cash item that relates to acquired intangibles predominantly from the Bupa Australia acquisition. Accelerated write-off of wealth client book.
Other adjustments	(5.3)	6.5	3.4	Includes significant takeover related bid costs and the life insurance contract policy liability effect from the change in discount rates over the period. Refer to the next slide for details.
Reported NPAT	(0.6)	12.2	10.1	Impacted by takeover bid related costs and the movement in long term discount rates over the half year period.



OTHER ADJUSTMENTS – 1H FY13

6 MONTHS, \$M	1H FY13	1H FY12	2H FY12
Policy liability effect from change in discount rates ¹	(2.1)	9.3	4.6
Takeover bid related costs ²	(5.2)	-	-
Income tax effect ³	2.0	(2.8)	(1.2)
Total other adjustments (after tax)	(5.3)	6.5	3.4

- 1 The policy liability discount rates effect is the result of the changes in long term discount rates used to determine the insurance policy liabilities. The life insurance policy liability (based on AIFRS) is discounted using market discount rates that typically vary at each reporting date and create volatility in the policy liabilities and consequently earnings. ClearView separately reports this volatility which represents a timing difference in the release of profit and has no impact on underlying earnings. This movement in policy liability creates a cash flow tax effect. The increase in long term discount rates over the half year period caused a loss to be reported.
- 2 Costs incurred in the takeover bid included adviser fees (\$2.3m), legal fees (\$0.4m), retention bonuses (\$1m), ESP expenses (\$0.8m, non cash) and other (\$0.7m).
- 3 Income tax effects includes the tax effect of the takeover bid related costs, the life insurance contract policy effects and the amortisation of software acquired on the acquisition of ClearView Financial Advice.



BALANCE SHEET SHAREHOLDER¹

\$M	31/12/12	30/06/12	31/12/11
ASSETS			
Cash equivalents	112	125	117
Receivables	7	6	10
Deferred tax asset	4	4	6
PP&E	1	2	3
Goodwill	5	5	5
Intangible	46	49	49
Total Assets	175	191	190
LIABILITIES			
Payables	13	8	8
Current tax	1	-	-
Provisions	3	4	4
Life Insurance ²	(89)	(84)	(75)
Total Liabilities	(72)	(72)	(63)
Net Assets	247	263	253
Net Assets per share ³	59.8 cents	63.7 cents	61.5 cents
Net Tangible Assets ⁴	196	209	199
NTA per share ^{3,4}	48.5 cents	51.5 cents	49.2 cents

- No debt.
- Shareholder capital conservatively invested in cash and interest bearing securities.
- Cash reduced by FY12 dividend (\$8m) and special dividend (\$10m)
- \$31m surplus capital above internal target benchmarks (under new APRA capital standards).
- Life insurance policy liability increase reflective of growth in life insurance business (DAC) partially offset by increase in long term rates over the period.
- Intangible assets includes capitalisation of intangible software (\$4.4m carrying value) offset by amortisation of acquisition intangibles.
- Payables increased due to unpaid takeover bid related costs of \$2.3m at 31 December 2012; Reinsurance profit share of \$1.1m offsetting the payable at 30 June 2012.

¹ Shareholder balance sheet excludes the life investments contracts (i.e. unit linked business) and deconsolidates retail unit trusts.

² Life insurance asset reflects insurance liabilities net of the future recoverability of the deferred acquisition costs in accordance with the accounting standards.

³ Adjusted for Employee Share Plan (ESP) loan of \$20.3m (2H FY12:\$17.4m, 1H FY12:\$13.4m) and 37.2m (2H FY12: 31.1m, 1H FY12: 23.9m) ESP shares. 4 Includes deferred tax asset (DTA).



EMBEDDED VALUE (EV) AT 31 DECEMBER 2012

RISK MARGIN OVER RISK FREE:	3% dm	4% dm	5% dm	6% dm*
Life insurance	164	153	144	135
Wealth management	39	37	36	35
Advice	27	25	24	23
Value of In Force (VIF)	230	216	203	192
Net worth	69	69	69	69
Total EV	298	284	272	261
Imputation Credits: Life Wealth Advice	30 9 8	28 9 8	27 9 7	25 8 7
Total EV incl Imputation Credits	346	329	314	301
ESP Loans	20	20	20	20
EV per share	71.4	68.2	65.5	63.0
EV per share incl Imputation Credits	82.1	78.3	74.9	72.0

The EV is made up of the value of the in force (VIF) and the Net Worth.

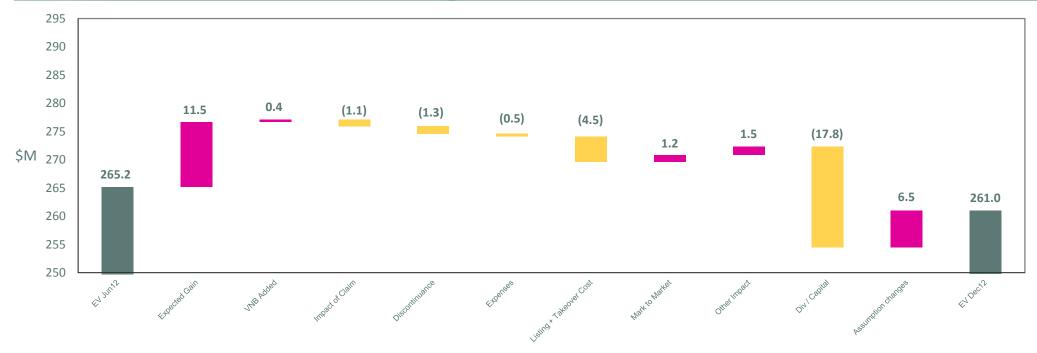
- The VIF is a discounted cash flow and includes capital held required to support the in force business; and
- The net worth is the net tangible assets not allocated to the capital reserves supporting the in force business and such assets are valued at face value as per the Balance Sheet.

The EV:

- Excludes the value of any future growth potential; is based on the in force portfolios as at 31 December 2012;
- Includes a value (consistent with common market practice) of imputation credits at 70% of their present value; and
- Has been presented above at different "discount margin" rates relative to the assumed long term risk free rate reflected within the underlying cash flows valued.



EV MOVEMENT ANALYSIS @ 6% DM



- VNB Added (+\$0.4m) represents the value added by new business written over the period. The current value of new business is suppressed by the start up and growth costs incurred in the life advice business and the current level of acquisition costs incurred in the financial advice business.
- Impact of claims (-\$1.1m): The impact of claims is the claims experience over the half year period where some statistical volatility can be expected.
- Impact of expenses (-\$5.0m): The negative movement is driven by the material costs incurred during the start up nature of the life advice business, its infrastructure development and growth over the period (-\$0.5m). Furthermore, expenses were impacted by the Group's listed overhead costs not allowed for in the EV and the cash takeover bid related costs (-\$4.5m)
- **FUMA mark to market (+\$1.2m):** The net investment performance on the funds under management and advice over the period that resulted in higher fee income relative to expectations over the period and higher fee income outlook as at 31 December 2012 relative to 30 June 2012.
- Dividends/net capital applied (-\$17.8m): EV reduced by payment of the final dividend for the financial year ended 30 June 2012 and the special dividend.
- **Discount and basis changes (+\$6.5m):** The net effect of the approach to publishing EV information. The overall impact of the change from the prior mix of product varying risk margins and underlying risk free discount rates was to increase EV as calculated at the 6% risk margin, partly offset by a change in capital reserves included in the VIF calculation (reflecting recent regulatory and internal benchmark changes). This predominantly arose within the life insurance segment and primarily reflects the substantial reduction in long term risk free discount rates over recent periods.



SURPLUS CAPITAL POSITION 31 DECEMBER 2012



- Surplus capital above the internal benchmarks at 31 December 2012 was \$31 million (including the new APRA capital standards) across the Group, a decrease of \$35 million since 30 June 2012.
- The decrease in surplus capital since 30 June 2012 reflects the following:
 - The establishment of a working capital reserve in August 2012 (\$11 million as at 31 December 2012);
 - The payment of a final dividend of \$8 million, special dividend of \$9.8 million and cash takeover bid related costs of \$3.1 million impacting capital;
 - The underlying profit for the 1H FY13 and the net capital absorbed by the growth of the business over the period; and
 - Change in basis from the implementation of new APRA capital standards and related review of our internal benchmarks (combined effect \$1.5 million).

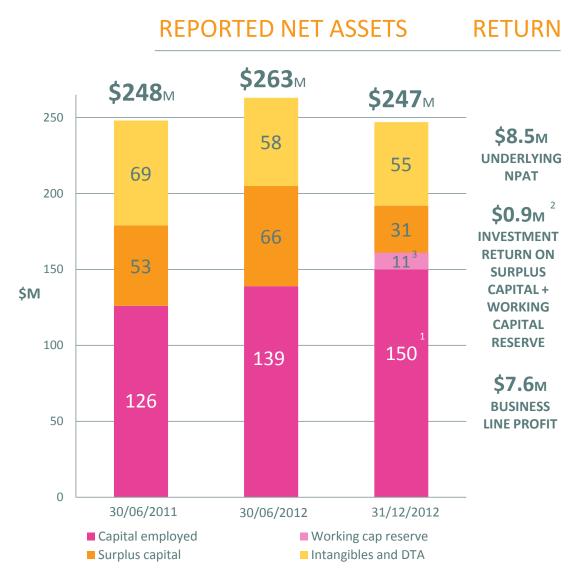
Notes:

¹ Surplus capital reported is surplus capital above internal benchmarks. Internal benchmarks exceed regulatory requirements

² Of the \$3.9 million costs (net of tax) incurred related to the takeover bid costs, \$3.1 million impact the company's capital with the balance related to the vesting of shares issued under the executive share plan to employee participants.



RETURN ON CAPITAL EMPLOYED



1H FY13 ROCE

10.5% POST TAX

UNDERLYING BUSINESS LINE PROFIT
ON CAPITAL EMPLOYED

 $= (7.6 \times 2)/(139+150)/2$

ROCE negatively impacted in 1H FY13 by adverse claims volatility

¹ Increase in capital employed is mainly due to the non-cash effect of the change in the life insurance contract policy liabilities as a result of the movement in long term discount rates (net of tax) and growth of the life insurance business.

² Surplus capital reported is surplus capital above internal benchmarks. Internal benchmarks exceed regulatory requirements.

³ A working capital reserve has been established from August 2012 in accordance with the APRA capital standards to fund the anticipated growth of the life insurance business.



1H FY13 Results

REGULATORY OVERVIEW & OUTLOOK



REGULATORY OVERVIEW

REFORMS	IMPACT ON CLEARVIEW
FOFA (IMPLEMENTATION DELAYED TO 1 JULY 2013)	ClearView well positioned due to vertically integrated business model.
NEW APRA CAPITAL STANDARDS (1 JANUARY 2013)	Implemented from 1 January 2013. Capital numbers have been prepared under the new basis in this investor report
SUPER STREAM (1 JULY 2013)	Represents an opportunity for ClearView to streamline back office procedures. ClearView is on track to comply with the requirements within the transition period.
APRA PRUDENTIAL STANDARDS FOR SUPER (1 JULY 2013)	ClearView well positioned as the new super standards substantially replicate the APRA standards for life insurance which ClearView currently satisfies across the business (including with respect to superannuation).
APRA REPORTING STANDARDS FOR SUPER (30 SEPTEMBER 2013)	Adaptation of systems and process is underway to comply with the 32 new reporting standards. ClearView is on track to provide compliant reporting by 30 September 2013.
IFRS PHASE 2: INSURANCE ACCOUNTING	Significant uncertainty. The IASB plans to issue a revised exposure draft in the first half of 2013 and will establish a publication date for the final standard in due course. The FASB currently aims to issue its exposure draft in the same period as the IASB. Impacts across the industry as a whole.
COMPULSORY SUPER 9% TO 12% BY 2020	Represents an opportunity for ClearView due to increased inflows into superannuation.



OUTLOOK & SUMMARY

Business Performance

- Balance Sheet reflects shareholder capital conservatively invested in cash; no debt;
- Strong sales from LifeSolutions and improved net outflows due to WealthSolutions (note: life insurance new business takes time to flow through to profit);
- Statistical volatility in life insurance claims experience anticipated to average out over time at the actuarial best estimate assumptions;
- Further expansion of distribution presence across the broader adviser channel; and
- Investment in back end automation/ efficiency to align with business growth that could impact underlying profit in the short term

Capital Management Initiatives

- The Board continues to evaluate the Group's capital position and dividend policy, especially in light of the strong growth trajectory of its life insurance business and the capital support required, and also to better align market value with the Group's underlying intrinsic value;
- The Board is currently considering certain initiatives which include the following:
 - Establishment of a fully underwritten DRP. This will provide shareholders the opportunity to reinvest into the Group's fast growing life insurance business, while at the same time retaining capital within the Group;
 - Further, it is believed that an underwritten DRP will, over time, lead to enhanced liquidity in the company's shares through the introduction of new shareholders;
 - > Implementing an interim dividend payment in future periods;
 - > Review of the current reinsurance arrangements in relation to the in force life insurance portfolio to further support the growth of the business;
 - > Transparent communication to the market around Embedded Value estimation and its relationship to the prevailing share price; and
 - ➤ On-market buyback when considered to be in the best interests of shareholders.

Conclusion

- Well positioned for growth
- Continue to focus on growth initiatives
- Supportive shareholder base



1H FY13 Results

APPENDIX



1H FY13 Life Insurance Segment Results APPENDIX



ANALYSIS OF LIFE INSURANCE PROFIT

6 MONTHS, \$M F		FY13 FY12		COMMENTS	
	1H	1H	2H		
Planned Profit Margins	4.8	4.8	5.0	Planned profit margins in FY13 are lower than 2H FY12 by \$0.2m due to reduction in long term discount rates (-\$0.33m); the expected increase in net margins from new business written offset by higher than expected prior period lapses (+\$0.33m); and an increase in renewal expenses overrun impacting on profit margins in the short term (-\$0.2m).	
Claims experience	(1.1)	1.8	1.1	Given the current size of the life insurance portfolio and reinsurance arrangements in place some statistical claims volatility can be expected from period to period. Adverse claims experience in 1H FY13 compared to positive experience in FY12. Claims experience is anticipated to average out over time at the best estimate assumptions.	
Lapse experience	0.1	(0.8)	(0.4)	Significant improvement in lapses since 1HFY12 driven by retention strategies in place.	
Expenses	0.1	(0.3)	(0.3)	Small experience profit in FY13 relative to expected increase in expenses (per planned profit line)	
Other	0.1	0.0	0.2		
Underlying NPAT	4.0	5.5	5.6	Additional net earned life insurance premium of \$4.1m flowing through revenue notwithstanding the significant increase in in force insurance premium over the period. This reflects the typical lag in current period profit in respect of new life insurance business written in the period. Only approximately 25% of the \$9.9 million of new business premium written was earned in the 1H of FY13 given the timing of the new business written. However, the \$9.9 million will contribute fully to earned premium for the six month period in the second half (i.e. 50% of the \$9.9 million). FY12 2H earned premium includes reinsurance profit share of \$1.1m due to FY12 positive claims experience.	
Policy liability effect from change in discount rates	(1.4)	6.5	3.2	The life insurance contract policy liability (based on Australian IFRS) is discounted using market based rates that typically vary at each reporting date and create volatility in the policy liabilities and consequently earnings. ClearView separately reports this volatility which represents a timing difference in the release of profit and has no impact on cash earnings	
Amortisation	(0.7)	(0.7)	(0.7)	Amortisation of the life insurance client book on acquisition of MBF Life in FY10 written off on a straight line basis over 12 years.	
Reported NPAT	1.9	11.3	8.1	23	



LIFE INSURANCE – 1H FY13

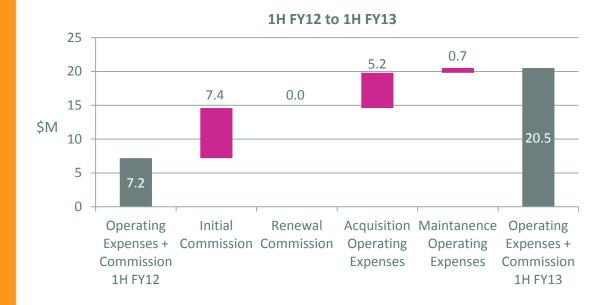
REPORTED VIEW	FY13	FY	12
6 MONTHS, \$M	1H	1H	2H
Net premiums received	23.9	18.1	20.0
Interest income	1.0	0.7	1.0
Net claims incurred	(7.9)	(4.1)	(6.0)
Commissions expense	(8.4)	(0.4)	(2.9)
Operating expenses	(12.2)	(6.8)	(9.3)
Movement in risk policy liabilities	9.3	0.4	5.2
Underlying profit before tax	5.7	7.9	8.0
Income tax expense	(1.7)	(2.4)	(2.4)
Underlying profit after tax	4.0	5.5	5.6
Policy liability effect from change in discount rates	(1.4)	6.6	3.2
Amortisation	(0.7)	(0.7)	(0.7)
Reported profit after tax	1.9	11.4	8.1

EARNED PREMIUM VIEW	FY13	FY	12
6 MONTHS, \$M	1H	1H	2H
Net earned premiums	22.1	18.0	19.4
Interest income	1.0	0.7	1.0
Net incurred claims	(7.9)	(4.1)	(6.0)
Net Acquisition expenses	-	-	-
Maintenance expenses	(5.2)	(4.4)	(4.5)
DAC Write off	(4.3)	(2.3)	(1.9)
Underlying profit before tax	5.7	7.9	8.0
Income tax expense	(1.7)	(2.4)	(2.4)
Underlying profit after tax	4.0	5.5	5.6
Policy liability effect from change in discount rates	(1.4)	6.6	3.2
Amortisation	(0.7)	(0.7)	(0.7)
Reported profit after tax	1.9	11.4	8.1

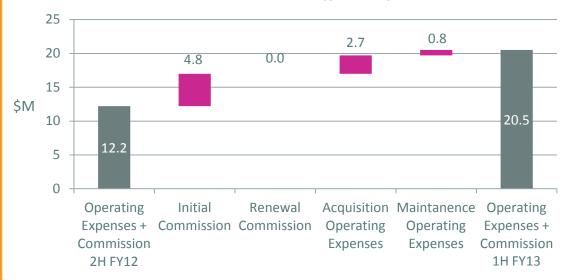
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OPERATING EXPENSE + COMMISSION GROWTH IN LIFE INSURANCE



2H FY12 to 1H FY13



- The growth in initial commission in 1HF FY13 is driven by the upfront variable commission cost related to the increased new business volumes.
- Renewal commission is relatively flat as the new business written on LifeSolutions is only starting to go through a renewal cycle
- Increase in acquisition expenses has a variable component
 (variance \$0.4m 1H FY13; \$0.2m 2H FY12) related to stamp
 duty and medicals and a fixed component (variance \$4.8m
 1H FY13; \$2.5m 2H FY12) related to increased front office
 head count: underwriters, new business admin, BDMs; and
 an increased shared services cost allocation due to increased
 new business activity. The outbound call centre has been
 brought in house and now reflected as part of operating
 expenses (as opposed to commission). This is a semi
 variable cost driven by direct marketing campaigns
- Maintenance costs incurred to service policies includes a portion of the stamp duty variable cost component.
 Increase in overall cost base is predominantly front end related due to new business volumes
- There has also been an increase in the overall cost base due to the write off of capitalised software costs (LifeSolutions system costs) (\$0.8m 1H FY13; \$0.3m 2H FY12)



1H FY13 Wealth Management Segment Results APPENDIX



WEALTH MANAGEMENT – 1H FY13

6 MONTHS, \$M 1H FY13		FY	12
		1H	2H
Fee revenue	14.8	15.5	14.9
Interest income	0.8	1.2	0.9
Commissions expense	(3.5)	(3.6)	(3.4)
Operating expenses	(7.0)	(9.2)	(6.5)
Underlying profit before tax	5.1	3.9	5.9
Income tax expense	(1.3)	(0.5)	(1.8)
Underlying profit after tax	3.8	3.4	4.1
Funds under management ¹	1,429	1,382	1,380
Net flows ¹	(33)	(90)	(62)
Market movement	98	(28)	77

COMMENTS

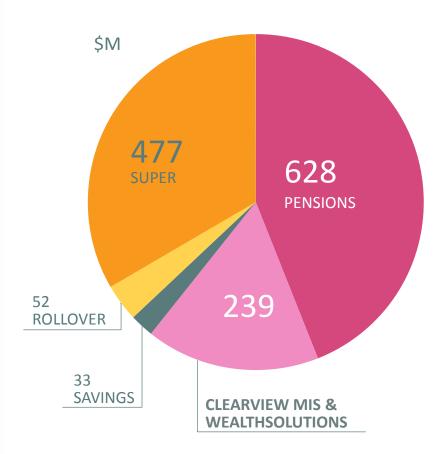
- Fee revenue broadly in line with 2H FY12
- Average FUM levels increased over half year due to positive investment market performance and improved net FUM outflows, albeit with WealthSolutions new inflows written at a lower margin
- Operating expenses reduced from average FY12 due to product development costs incurred in prior year; shared services allocation expected to reduce as life business grows
- Significantly higher effective tax rate in FY13
- WealthSolutions FUM net inflows of \$76m



FUNDS UNDER MANAGEMENT

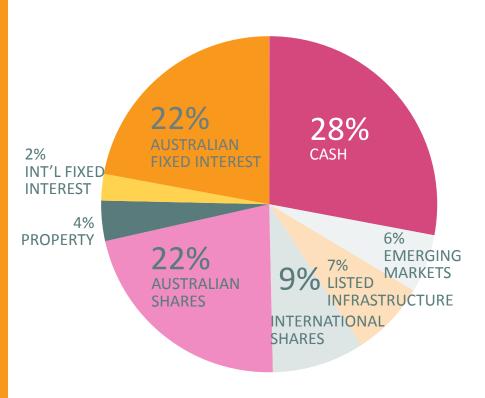
FUNDS UNDER MANAGEMENT

\$1.43 BILLION



ASSET MIX

- Excludes externally managed WealthSolutions so reflects FUM of \$1.34 billion
- Reflects the high proportion of FUM for pensions
- approx 50% of assets are held in cash and bonds







12 MONTH RETURN TO 31/12/12

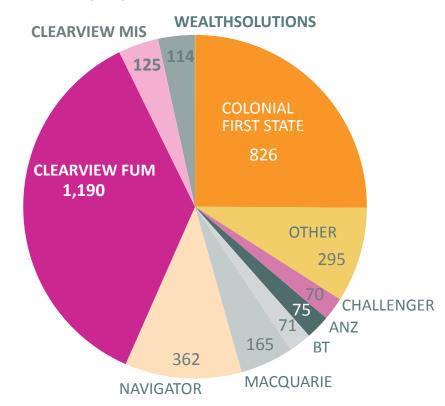
CLEARVIEW WHOLESALE FUNDS	W/S FUNDS %	INDEX %	INDEX
Money Market	4.21	3.98	UBS Bank Bill
Bond	7.95	7.72	UBS Composite Bond All Mkts
International Fixed Interest	14.58	8.04	JP Morgan Global Govt Bond ex Australia Hedged
Property	32.50	32.99	S&P ASX 200 Property
Australian Equity	26.13	20.26	S&P ASX 200
International Equity	15.67	14.14	MSCI World Ex Australia
Listed infrastructure	13.68	12.92	UBS Global Infrastructure & Utilities
Emerging markets	25.01	16.74	MSCI Emerging Markets

In the past 12 months, the majority of ClearView's Managed Funds have performed well against their benchmarks.

FUNDS UNDER MANAGEMENT & ADVICE

\$3.3 BILLION

BY PLATFORM (\$M)





1H FY13 Financial Advice Segment Results APPENDIX



FINANCIAL ADVICE – 1H FY13

6 MONTHS, \$M	1H FY13	FY	'12
		1H	2H
Fee revenue ^{1,3}	7.8	7.7	7.4
Interest/ other income	0.3	0.1	0.1
Commissions expense ¹	(1.3)	(1.2)	(1.1)
Operating expenses	(6.2)	(7.5)	(6.4)
Underlying profit before tax	0.6	(0.9)	0.0
Income tax expense	(0.2)	0.3	0.0
Underlying profit after tax	0.4	(0.6)	0.0
Funds under advice (FUA) 4	1,864	1,432	1,528
In force premium	57.2	12.6	28.9
Net flows ²	(48)	2	(15)

COMMENTS

- FUA increase driven by the positive performance of investment markets and the further recruitment of aligned advisers. Excluding FUA brought into the group from the recently recruited advisers, FUA decreased by 1.7%. This is as a result of the transition of FUA to WealthSolutions which is reported as FUM.
- Fee margin impacted by employed planner FUA levels and change in mix of business (no margin from aligned advisers).
- Operating expenses improvement due to increased allocation of shared services overhead to life segment (from growth in life business).
- Other income in 1H FY13 includes \$0.18m (after tax) recoveries from prior period planning advice claims.
- Net flows impacted by transition of business onto WealthSolutions platform (margin earned on both the advice fee and platform).
- In force life insurance premium of \$57.2m at 31 December 2012 of which \$10m is written in LifeSolutions.

¹ Fee revenue and commission expenses exclude amounts from dealer services (aligned advisers) that net off each other (FY13: \$11.3m; FY12: \$5.8m).

² Net flows only include net flows from CFS and Navigator which represent 56% of total FUA.

³ Internal advice fee of 50bps earned on wealth FUM. This reverses out on consolidation.

⁴ FUA excludes ClearView FUM.



1H FY13 Listed/Other Segment Results APPENDIX



LISTED ENTITY - 1H FY13

6 MONTHS, \$M	1H FY13	FY12		
		1H	2H	
Interest income	1.0	1.2	1.1	
Operating expenses	(0.4)	(0.2)	(0.5)	
Underlying profit before tax	0.6	1.0	0.6	
Income tax expense	(0.3)	(0.2)	(0.2)	
Underlying profit after tax	0.3	0.8	0.4	
Other adjustments	(3.9)	0.0	0.0	
Reported profit after tax	(3.6)	0.7	0.5	

COMMENTS

- Loss of investment earnings from payment of dividends, takeover related bid costs and lower cash earning rate.
- This segment represents the investment earnings on the cash and investments held in the listed and central services entities and in the shareholders fund of ClearView Life, less the costs associated with maintaining a listed entity. The Company manages capital at the listed entity level in accordance with its internal capital management policy.
- Other adjustments relates to the after tax costs associated with the takeover bid.



1H FY13 Embedded Value & Capital

APPENDIX



EMBEDDED VALUE (EV) AT 31 DECEMBER 2012

RISK MARGIN OVER RISK FREE:	3% dm	4% dm	5% dm	6% dm*
Life insurance	164	153	144	135
Wealth management	39	37	36	35
Advice	27	25	24	23
Value of In Force (VIF)	230	216	203	192
Net worth	69	69	69	69
Total EV	298	284	272	261
Imputation Credits: Life Wealth Advice	30 9 8	28 9 8	27 9 7	25 8 7
Total EV incl Imputation Credits	346	329	314	301
ESP Loans	20	20	20	20
EV per share	71.4	68.2	65.5	63.0
EV per share incl Imputation Credits	82.1	78.3	74.9	72.0

The EV is made up of the value of the in force (VIF) and the Net Worth.

- The VIF is a discounted cash flow and includes capital held required to support the in force business; and
- The net worth is the net tangible assets not allocated to the capital reserves supporting the in force business and such assets are valued at face value as per the Balance Sheet.

The EV:

- Excludes the value of any future growth potential; is based on the in force portfolios as at 31 December 2012;
- Includes a value (consistent with common market practice) of imputation credits at 70% of their present value; and
- Has been presented above at different "discount margin" rates relative to the assumed long term risk free rate reflected within the underlying cash flows valued.



EV MOVEMENT ANALYSIS BY SEGMENT

MOVEMENT ANALYSIS @6% dm	Life	Wealth	Advice	Net Worth	Total
EV - 30 June 2012 (As Published)*	123	61	25	56	265
Expected Gain	6	3	1	1	12
VNB Added	1	-	-1	-	-
Impact of Claims	-1	-	-	-	-1
Impact of Discontinuance	-	-1	-1	-	-1
Development and start up expenses (Maintenance Exp only)	-1	-	1	-	-1
Listing Costs and takeover Bid Costs	-	-	-	-5	-5
FUMA mark to market	-	1	-	-	1
Tax and other Impact	-	-	-	2	2
Dividends/ Net Capital Applied	30	-25	-	-23	-18
Discount and Basis Changes	5	2	-	-	7
EV at 31 December 2012 @ 6% dm	161	42	26	31	261

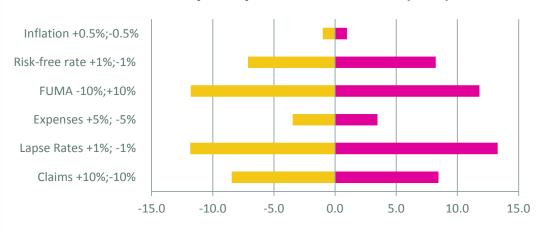
^{*} Based on 6% dm for Life and 7.25% dm for all other line of business

- VNB Added is suppressed in Life Insurance in the short term by the initial acquisition development and start up costs (relative to long term assumptions) due to the timing of costs incurred relative to revenue generation. This will reduce over time as and when further scale is achieved. VNB is negative in advice due the acquisition costs of the employed financial advisers relative to new business generation. This is offset by a maintenance profit in the EV. The wealth VNB is driven by the launch of WealthSolutions.
- Impact of claims: A prudent approach has been taken in the context of industry experience in setting the claims assumptions. The impact of claims is the claims experience over the half year period where some statistical volatility can be expected.
- Impact of expenses: The negative movement is driven by the material costs incurred during the start up nature of the life advice business, its infrastructure development and growth over the period. Furthermore, expenses were impacted by the Group's listed overhead costs not allowed for in the EV and the cash takeover bid related costs.
- Discount and basis changes: The net effect of the approach to publishing EV information. The overall impact of the change from the prior mix of product varying risk margins and underlying risk free discount rates was to increase EV as calculated at the 6% risk margin, partly offset by a change in capital reserves included in the VIF calculation (reflecting recent regulatory and internal benchmark changes). This predominantly arose within the life insurance segment and reflects the substantial reduction in long term risk free discount rates over recent periods

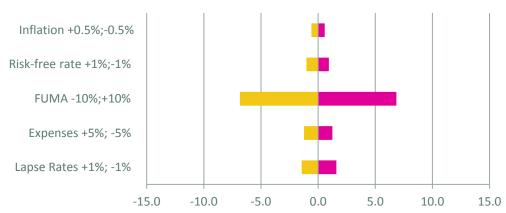


EV SENSITIVITY ANALYSIS

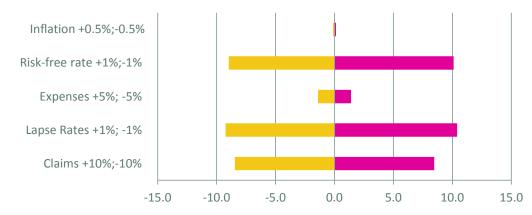
EV Sensitivity Analysis - Total @ 6%dm (\$mil)



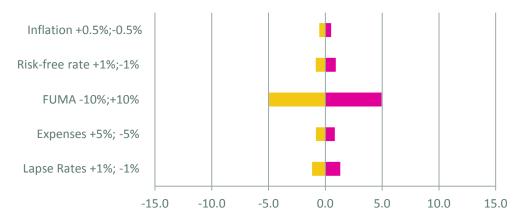
EV Sensitivity Analysis - Wealth @ 6%dm (\$mil)



EV Sensitivity Analysis - Life @ 6%dm (\$mil)



EV Sensitivity Analysis - Advice @ 6%dm (\$mil)





NET ASSETS & CAPITAL ANALYSIS at 31 DECEMBER 2012

RECONCILIATION OF NET ASSETS TO SURPLUS CAPITAL:	Life	Wealth	Advice	Other	Total
Net Assets (Balance Sheet)	147	18	13	68	247
- Goodwill & Intangibles	-4	-	-9	-37	-51
= Net Tangible Assets	143	18	4	31	196
- DAC	-110	-	-	-	-110
- Other Adjustments to Capital Base	-	-	-	-	-
= Capital Base (APRA)	33	18	4	31	86
- Regulatory Capital Requirement	-3	-9	-1	-6	-19
- Internal Benchmarks	-26	-4	-3	-4	-36
= Surplus Capital	5	5	1	21	31

- Surplus Capital represents surplus capital above internal benchmarks. Internal benchmarks exceeds the regulatory requirements;
- Life and General Insurance Capital (LAGIC) changes implemented with effect from 1 January 2013; Results at 31 December 2012 above have been reported on new LAGIC basis
- Adjustments are made to the Capital Base for various asset amounts which are deducted, for example intangibles, goodwill and deferred tax assets (net of deferred tax liabilities).
- ClearView capital is currently rated Common Equity Tier1 capital in accordance with the APRA capital standards.
- Internal Benchmarks includes capital held for the protection of ClearView's regulatory capital position in respect of risk outcomes where the regulatory capital cannot be readily accessed and to protect the various entities regulatory licenses.



NET WORTH RECONCILIATION AT 31 DECEMBER 2012

RECONCILIATION OF NET ASSETS TO SURPLUS CAPITAL:	Life	Wealth	Advice	Other	Total
Net Tangible Assets	143	18	4	31	196
- Add back software and DTA	5	-	-	-	5
- Capital included in VIF	-122	-10	-1	-	-132
Net Worth	26	8	4	31	69
- Deduct software and DTA	-5	-	-	-	-5
- Overhead & New Business Capital	-17	-5	-3	-8	-33
Surplus Capital	4	3	1	23	31

- Capital Base as outlined on Slide 38.
- The EV effectively involves incurring a "cost" for the capital held to support the in force business. This is the capital that is included in the VIF;
- The net worth is the net tangible assets not allocated to the capital reserves supporting the in force business. Such assets are valued at face value as per the Balance Sheet;
- ClearView adopts an economic capital model that is allowed for in the EV to support the risk profile of the business;
- For the Life Insurance business the regulatory capital base plus the relevant part of the internal benchmarks is adopted as the economic capital base as the business is subject to very conservative capital reserving requirements;
- For the wealth management business a regulatory capital base at the internal benchmarks is adopted as the economic capital given the operational risks in particular unit pricing risks. The \$5m Responsible Entity capital is accounted for as part of the Net Worth in the EV
- For the financial advice business the vast majority of the capital held relates to future risks and new clients rather than risks in relation to managing existing clients. One third of the relevant capital base is allocated to in force in the EV and two thirds in respect of future new client risks.



1H FY13 Impact of ESP Shares APPENDIX



IMPACT OF ESP SHARES

PER SHARE CALCULATIONS

6 months ended 31 DECEMBER 2012 M (unless stated otherwise)	1H FY13
Number of shares on issue	409.3
ESP shares on issue	37.2
Shares on issue to calculate NAV per share (A)	446.5
Net assets	\$246.7
ESP loans	\$20.3
Proforma net assets (B)	\$267.0
Fully diluted NAV per share = B/A	59.8 cents
Underlying NPAT	\$8.5
Interest on ESP loans after tax	\$0.2
Proforma underlying NPAT	\$8.7
Fully diluted underlying NPAT per share ¹	1.96 cents

BALANCE SHEET

- Accounted for as an option in accordance with AASB 2
- Limited recourse loan not reported as a receivable on Balance Sheet
- Loan repaid with cash if shares are "in the money"
- 37.2 million Employee Share Plan (ESP) shares on issue and \$20.3 million loans receivable at 31 December 2012

INCOME STATEMENT

Underlying NPAT adjusted for after tax interest on ESP loans