

Full Year 2011 Results

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24 AUGUST 2011

TRANSFORMATIONAL YEAR

| YEAR END JUNE \$M (unless stated otherwise) | 2011 | 2010 | CHANGE |
|--|------|-------|--------|
| Underlying NPAT ¹ | 19.3 | (1.0) | n/a |
| Reported NPAT ² | 8.7 | 2.4 | 260% |
| Dividend per share (cents, fully franked) | 1.8 | nil | n/a |
| Underlying EPS (cents, fully diluted) | 4.6 | (0.5) | n/a |
| Net Assets per share ³ (cents) | 60.5 | 59.1 | 2% |
| Embedded value ⁴ | 259 | 223 | 16% |

ClearView is a profitable, cash generating business with significant potential for growth and value creation.

Dividend reinstated in FY11.

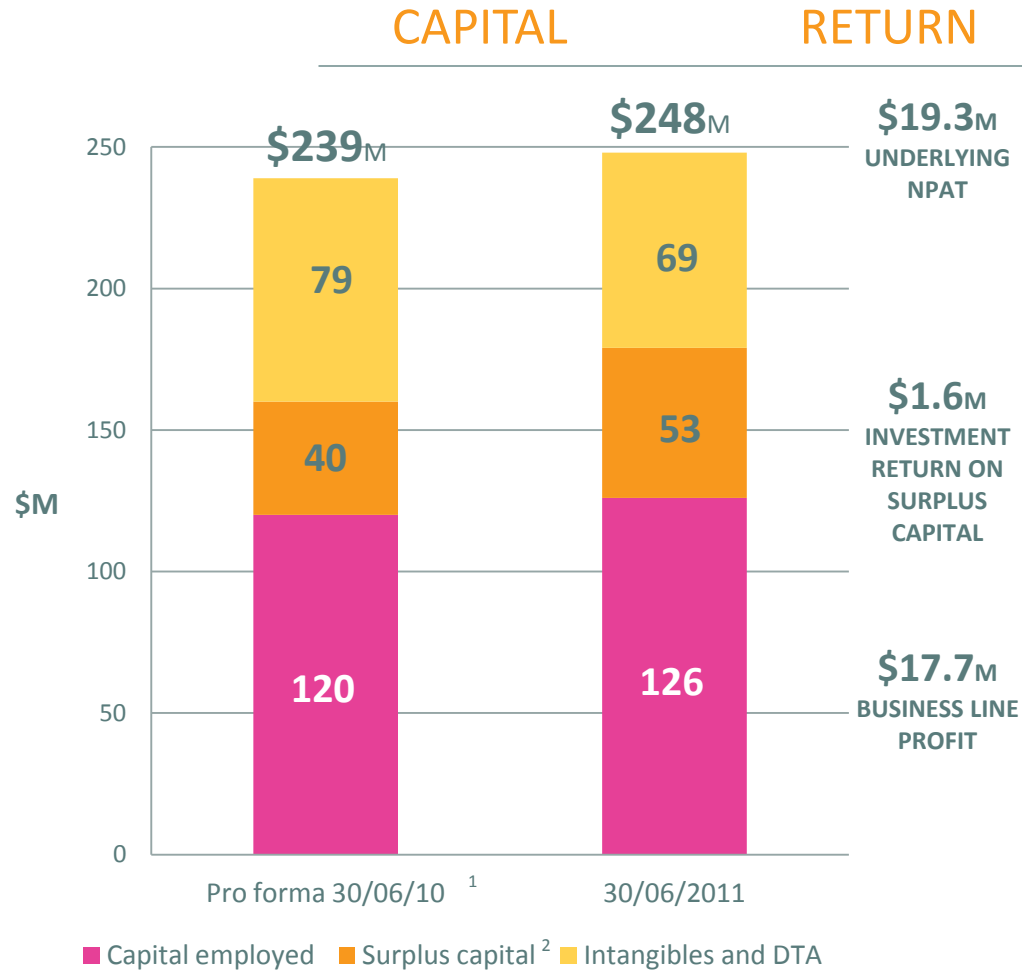
1 Underlying profit is the Board's key measure of profitability and the basis on which the dividend payment is determined. It consists of profit after tax adjusted for amortisation, restructure and transition costs, one-off system upgrade costs and AIFRS insurance liability adjustment (tax effected).

2 Reported FY10 NPAT is from continuing operations adjusted for the profit on acquisition as a result of completion adjustments.

3 Net assets per share is adjusted for the Employee Share Plan (ESP) loan of \$12.0 million and 20.7 million ESP shares.

4 Pro forma embedded value as at 30/06/2010 includes the Parent entity and an estimate for ClearView Financial Advice (formerly ComCorp).

RETURN ON CAPITAL EMPLOYED



FY11 ROCE

14% POST TAX

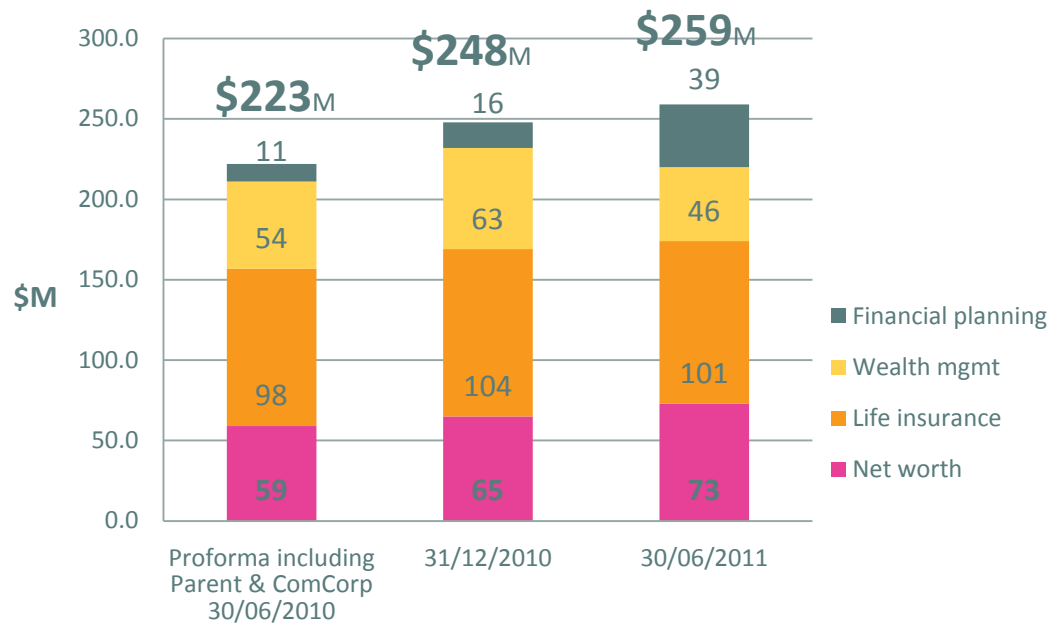
UNDERLYING BUSINESS LINE PROFIT ON CAPITAL EMPLOYED

$= 17.7 / ((120 + 126) / 2)$

1 Pro forma as if current Capital Management Plan had been implemented as at 30/06/10.

2 Surplus capital above internal target requirements prior to FY11 dividend and capital benefit of utilisation of tax losses.

EMBEDDED VALUE (EV)¹



MOVEMENTS FROM FY10 DUE TO:

- Emerging profit
- Reduced expenses across group post acquisition
- Reduced claims assumption in life insurance
- Increased lapse assumption reflective of recent trends
- Changed advice fee structure between Wealth and Financial Planning

EXCLUDES THE FOLLOWING:

- Value of future franking credits (potential value \$45m)
- Value of \$7m carried forward revenue tax losses and \$9m unrecognised capital losses
- Value attributable to future growth potential

| DISCOUNT RATE SENSITIVITY | RDR -1% | RDR +1% |
|-------------------------------------|------------|------------|
| Net worth | 73 | 73 |
| Life insurance | 107 | 95 |
| Wealth management | 47 | 44 |
| Financial planning | 40 | 37 |
| Total excl. franking credits | 267 | 249 |

¹ EV increase based on consistently applied risk discount rates of 11% for life insurance and 12.75% for wealth management. EV is prior to FY11 dividend and capital benefit of utilisation of tax losses.

2H FY11 OPERATIONAL UPDATE

- Strategic partner developments
 - Penetration of Bupa member base continued with MBF telemarketing pilots and member centres in preparation for broader rollout
 - Queensland Country 1st credit union to add life insurance products to existing agreement that distributes wealth products (launch planned for Oct 11)
- Released 5 new direct life insurance products and upgraded client facing websites
- Strong investment performance from ClearView wholesale funds
- Launched two new asset classes in wholesale funds – international listed infrastructure and emerging markets
- Winner of the Money Management non-aligned ‘Dealer Group of the Year’ for 2011



PROFIT & LOSS – FY11

| \$M, YEAR END JUNE | 1H | 2H | FY11 | COMMENTS |
|---------------------------|-------------|------------|-------------|--|
| Life insurance profit | 5.0 | 4.0 | 9.0 | Lapse losses continued into 2H, part of which related to a change in the credit card billing system that was resolved in the last quarter. Lapse losses were the main contributor to negative experience in FY11. Increase in lapse rate assumption reflective of recent trends. |
| Wealth management profit | 5.0 | 5.2 | 10.2 | 2H net outflow improved vs 1H but management fees not as positively impacted by market movement. Tax benefit flowed through in 2H. |
| Financial planning profit | (0.1) | (0.3) | (0.4) | Includes fees earned from ClearView's licensed planners and from retail unit trusts. Cost restructure planned to further improve performance and reduce costs. |
| Listed entity and other | 0.4 | 0.1 | 0.5 | Mainly investment earnings less listed entity costs. |
| Underlying NPAT | 10.3 | 9.0 | 19.3 | Lower 2H profit primarily as a result of lower fee revenue, lapse losses in life insurance and an increase in costs related to building a platform for growth, offset by a further tax benefit. |
| Amortisation | (3.9) | (3.5) | (7.4) | Non cash item that relates to acquired intangibles predominantly from the Bupa acquisition. |
| One-off adjustments | (3.5) | 0.3 | (3.2) | Includes \$1.4m provision to restructure Financial Planning business. Refer to next slide for breakdown. |
| Reported NPAT | 2.9 | 5.8 | 8.7 | Includes reduction in deferred tax asset (DTA) due to utilisation of \$4.1m of losses (tax effected) with capital benefit expected in FY12. |

Results reflect a solid, profitable business at the beginning of a growth phase.

ONE-OFF ADJUSTMENTS – FY11

| \$M, YEAR END JUNE | 1H | 2H | FY11 |
|---|--------------|------------|--------------|
| AIFRS policy liability adjustment ¹ | (2.6) | 2.0 | (0.6) |
| Life administration system upgrade ² | (0.7) | 0.0 | (0.7) |
| Transition and Restructure costs ³ | (2.1) | (1.4) | (3.5) |
| Other | 0.1 | (0.2) | (0.1) |
| Income tax effect | 1.8 | (0.1) | 1.7 |
| Total one-off adjustments (after tax) | (3.5) | 0.3 | (3.2) |

1 The life insurance contract policy liability (based on Australian IFRS) is discounted using market consistent rates that typically vary at each reporting date and create volatility in the policy liabilities and consequently earnings. ClearView reports this volatility under the IFRS DAC adjustment which represents a timing difference in the release of profit and has no impact on cash earnings.

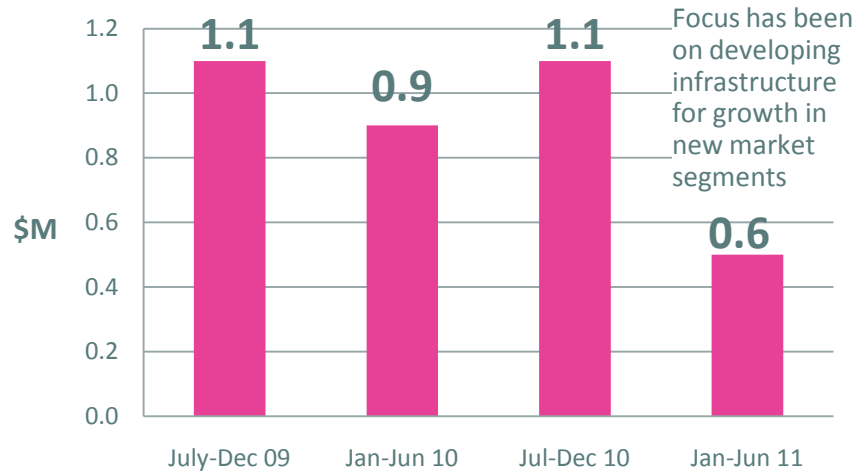
2 One-off system upgrade to latest version post the Bupa acquisition.

3 Transition costs in 1H largely relate to costs payable to Bupa prior to the migration off Bupa's infrastructure and post acquisition employee termination related costs.

The restructure costs in 2H relate to a provision to restructure the Financial Planning business unit planned for FY12.

LIFE INSURANCE – FY11

NEW BUSINESS



SOURCES OF PROFIT

| YEAR ENDED JUNE 2011 | \$M |
|---|-------|
| Planned profit margin released ¹ | 11.5 |
| Profit arising from difference between actual and expected experience | (2.5) |
| Underlying life insurance profit after tax | 9.0 |
| One-off adjustments (after tax) | (0.9) |
| Amortisation | (1.4) |
| Reported life insurance profit after tax | 6.7 |

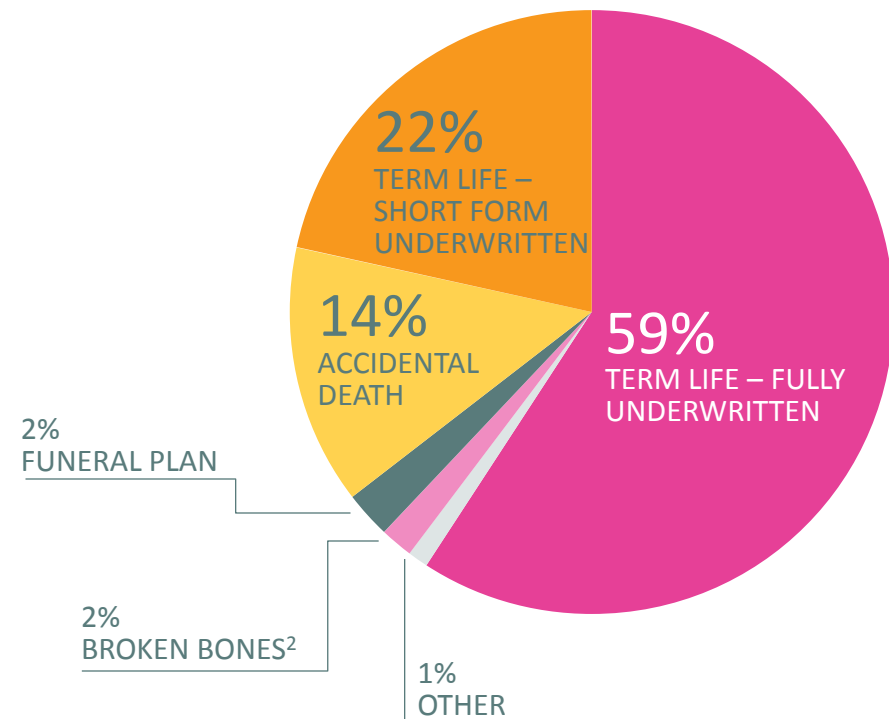
¹ Includes investment earnings on surplus capital.

² The MBF Broken Bones policy was terminated with effect from 1 July 2011.

PREMIUMS IN FORCE

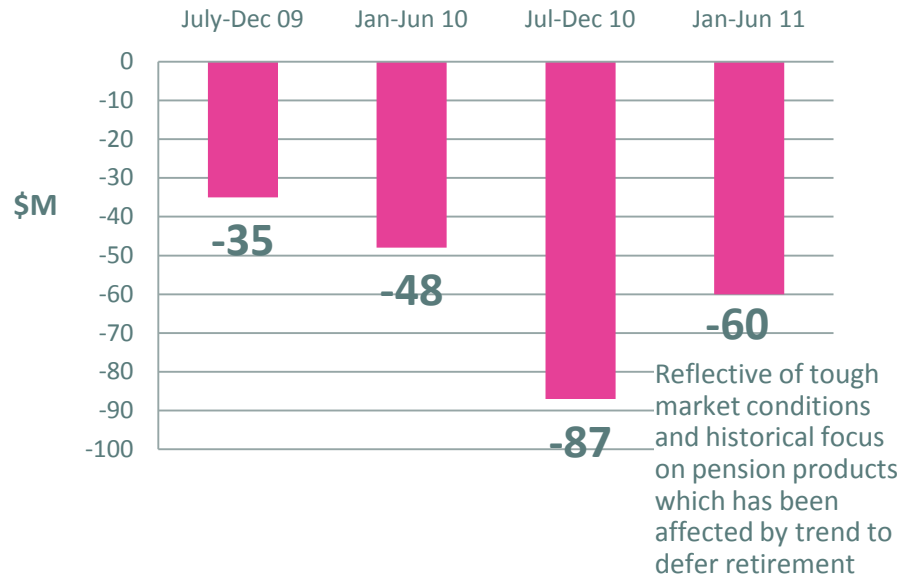
\$41 MILLION

IN FORCE PREMIUM MIX



WEALTH MANAGEMENT– FY11

FUM NET FLOWS¹



PROFIT RECONCILIATION¹

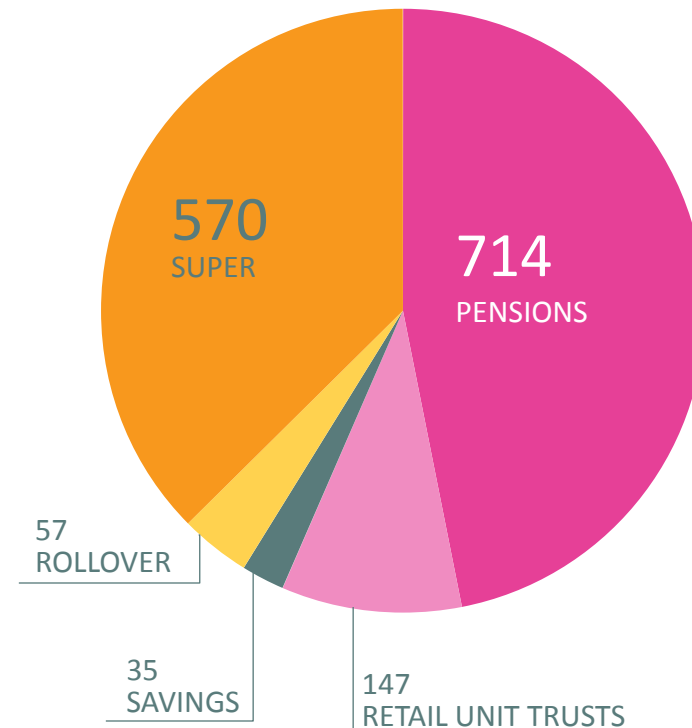
| YEAR ENDED JUNE 2011 | \$M |
|---|-------|
| Wealth mgmt underlying profit after tax | 10.2 |
| One-off adjustments (after tax) | (0.8) |
| Amortisation | (5.2) |
| Reported wealth management profit after tax | 4.2 |

¹ Retail unit trusts included in FUM and FUM net flows but excluded in Wealth Management profit in FY11.

FUNDS UNDER MANAGEMENT

\$1.5 BILLION

FUNDS UNDER MANGEMENT (\$M)



INVESTMENT PERFORMANCE – FY11

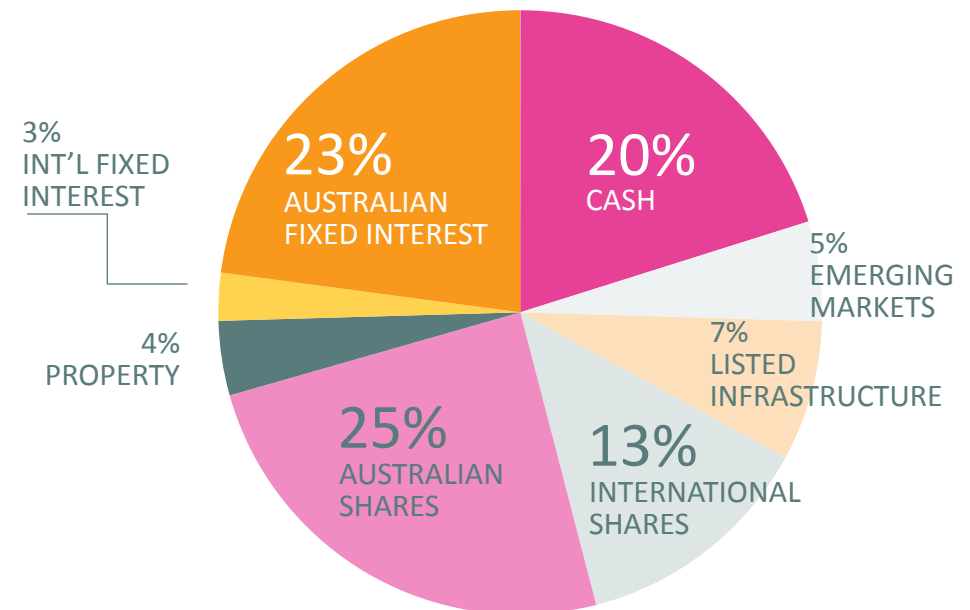
TOTAL 1 YEAR RETURN

| CLEARVIEW WHOLESALE FUNDS | W/S FUNDS % | INDEX % | INDEX |
|------------------------------|-------------|---------|-----------------------------|
| Money Market | 5.10 | 4.99 | UBS Bank Bill |
| Bond | 6.31 | 5.55 | UBS Composite Bond All Mkts |
| International Fixed Interest | 7.52 | 5.38 | Citigroup World Gov't Bond |
| Property | 5.90 | 5.84 | S&P ASX 200 Property |
| Australian Equity | 14.33 | 11.73 | S&P ASX 200 |
| International Equity | 8.77 | 2.66 | MSCI World Ex Australia |

FUNDS UNDER MANAGEMENT

\$1.5 BILLION

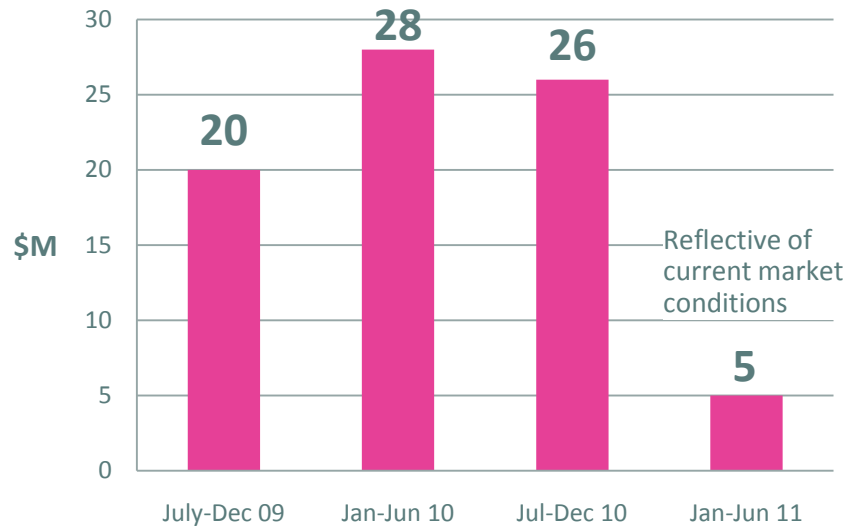
ASSET MIX



Strong outperformance for all key funds which offer a mix of growth and income.

FINANCIAL PLANNING – FY11

FUA NET FLOWS¹



PROFIT RECONCILIATION¹

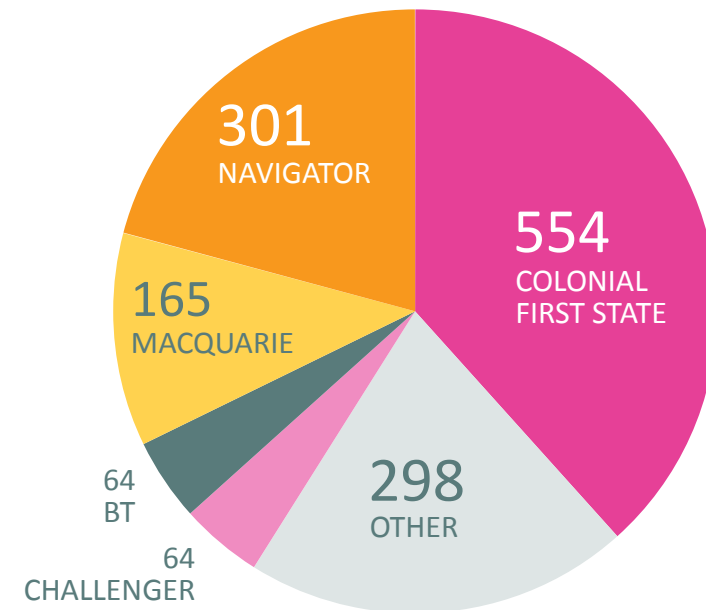
| YEAR ENDED JUNE 2011 | \$M |
|--|-------|
| Financial planning underlying profit after tax | (0.4) |
| One-off adjustments after tax | (0.8) |
| Amortisation | (0.7) |
| Reported financial planning profit after tax | (1.9) |

¹ Retail unit trust excluded in FUA and FUA net flows (\$18m) but included in Financial Planning profit in FY11.

FUNDS UNDER ADVICE

\$1.5 BILLION

FUNDS UNDER ADVICE (\$M) BY PLATFORM



BALANCE SHEET SHAREHOLDER¹

| \$M | 30/06/11 | 30/06/10 |
|-----------------------------------|-------------|-------------|
| ASSETS | | |
| Cash equivalents | 122 | 27 |
| Financial assets | - | 91 |
| Receivables | 6 | 5 |
| Deferred tax | 12 | 16 |
| PP&E | 1 | 1 |
| Goodwill | 5 | 4 |
| Intangible | 52 | 59 |
| Total Assets | 198 | 203 |
| LIABILITIES | | |
| Payables | 9 | 17 |
| Current tax | - | 2 |
| Provisions | 4 | 8 |
| Life Insurance ² | (63) | (63) |
| Total Liabilities | (50) | (36) |
| Net Assets | 248 | 239 |
| Net Assets per share ³ | 60.5 cents | 58.3 cents |
| Net Tangible Assets | 179 | 160 |
| NTA per share ³ | 44.6 cents | 39.9 cents |

STRONG CAPITAL POSITION

- No debt
- \$53m⁴ surplus capital above internal target requirements
(Note that the basis of reporting surplus capital has changed from regulatory excess)
- Shareholder capital conservatively invested in cash and interest bearing securities
- Changes in proposed APRA capital standards not expected to have a material impact on the capital position

¹ Shareholder balance sheet reflects the exclusion of life investments contracts (ie unit linked business) and deconsolidation of 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 \$12.0m (FY10: \$10.0m) and 20.7m (FY10: 17.7m) ESP shares.

⁴ Surplus capital above internal target requirements prior to FY11 dividend and capital benefit of utilisation of tax losses.

TRACK TO GROWTH

| PRODUCT/PLATFORM ROLLOUT | * | ESTIMATED TIMING |
|--|------|----------------------|
| Advice product – Life insurance | 1, 3 | End of 1H FY12 |
| Bupa rollout Phase I – Telemarketing/ Direct Marketing, member centres | 2 | Ongoing |
| Bupa rollout Phase II – call centres, internet and HBA/ Mutual Community | 2 | 2H FY12 |
| Private label platform | 2,3 | Beginning of 2H FY12 |
| Expand life insurance offering to credit unions and affinity groups | 2 | Ongoing |
| Increase strategic partners | 4 | Ongoing |

*INITIATIVES

- 1 Upgrade and expand products and processes – initial focus on Life Insurance
- 2 Leverage alliances with strategic partners (Bupa Australia, credit unions and affinity groups)
- 3 Penetrate the IFA market
- 4 Increase strategic partners through additional alliances

NEW GROWTH INITIATIVES

IFA STRATEGY

- IFAs to become a significant sales channel
- ClearView's key differentiator is to provide IFAs with access to a relationship driven 'independent' partner
- First two initiatives:
 - Life advice product expected launch: end of 1H FY12
 - Wealth private label wrap platform expected launch: beginning of 2H FY12

PRIVATE LABEL PLATFORM

- High end offering to financial planners with a full wrap capability (*outsourced to third party*)
- Allows full ownership of product due to licensing structure and potential for higher margins
- Product offering to include Super, Pension (*including transition to Retirement Pension*) and Ordinary money (*IDPS – Investor Directed Portfolio Service*)
 - Focused on the accumulation and retirement markets

DISTRIBUTION MODEL



Lower cost/less capital intensive model than prior to acquisition due to referral management system (RMS) and telemarketing/direct marketing arrangements.

1 Direct life products have ability to be white labelled.

2 Estimated pilot launch in H1 FY12; sales expected to materialise in H2 FY12.

3 Ordinary or superannuation

4 Private label platform estimated launch at the beginning of H2 FY12.

REGULATORY REFORMS

| Regulatory Reform | Effective date | Key Reforms |
|------------------------------------|-----------------------------|---|
| FOFA Reform | 1 July 2012; 1 July 2013 | Ban on risk commissions inside super (TBC); 2 year opt-in for fees; scaled advice |
| Cooper Review | N/A | MySuper, SuperStream, intra-fund advice |
| Henry Tax Review | 2013 - 2020 | Employee's super contribution to increase from 9% to 12% |
| APRA Capital Standards | 1 January 2012 | To make the standards more risk-sensitive |
| IFRS Phase 2: Insurance Accounting | Ongoing | Align insurance accounting globally |

Vertically integrated companies like ClearView are in a strong position to adapt to potential regulatory reforms and an uncertain economic environment.

MARKET OUTLOOK

LIFE INSURANCE

- Overall insurance industry including life has been stable...
- ...however lapse rates have tended to increase across the industry as a whole based on recent experience
- Long term industry growth remains strong with forecast growth at slightly above 9% per annum over the next 10 years (*source: DEXX&R*)

WEALTH MANAGEMENT

- GFC has adversely impacted super balances and led to a deferral of retirement to rebuild super balances
- ClearView has historically participated in the retiree market so has disproportionately been impacted via net fund outflows
- Deferral of retirement simply represents a deferral of flow of funds into the retirement phase rather than a long term impact

OUTLOOK

- Year-over-year growth in pre tax profitability anticipated in FY2012
 - Development of the infrastructure to expand into the IFA market (end to end suite of life advice products and private label platform) will be a focus in 1H
 - Learnings from MBF telemarketing pilots and member centre rollouts to be implemented in 1H
 - Broader rollout to Bupa client base in 2H (call centres, internet and HBA/Mutual Community)
 - Growth expected in 2H from Life advice product rollout to select advisers and launch of private label platform
 - Wealth and Planning will continue to reflect current market conditions
- **Unique position + momentum = value creation**
 - Unique position due to size, 'independent' nature and ability to focus on profitable, scalable segments
 - Market fundamentals reflect long-term growth rates of 10%
 - Future value initially shown through increases in EV and AV
- FY2012 dividend forecast at 20-40% of underlying profit
(subject to regulatory requirements, available profits and financial position)

Full Year 2011 Results

APPENDIX

KEY STATS AS AT 30 JUNE 2011

LIFE INSURANCE

\$41.0 MILLION¹

INFORCE PREMIUMS

WEALTH MANAGEMENT

\$1.5 BILLION

FUNDS UNDER MANAGEMENT²

ADVICE FINANCIAL PLANNING

\$3.0 BILLION

FUMA (\$1.5bn FUM, \$1.5bn FUA)

55

FINANCIAL PLANNERS

¹ includes MBF Broken Bones policy (\$0.7 million) that was terminated with effect from 1 July 2011

² includes retail unit trust funds of \$147 million

LIFE INSURANCE – FY11

| \$M, YEAR END JUNE | 1H | 2H | FY11 |
|-------------------------------------|------------|------------|-------------|
| Net premiums | 18.7 | 17.9 | 36.6 |
| Interest income | 0.6 | 0.7 | 1.3 |
| Net claims incurred | (7.1) | (7.5) | (14.6) |
| Commissions expense | (0.2) | (0.2) | (0.4) |
| Operating expenses | (5.3) | (6.1) | (11.4) |
| Movement in risk policy liabilities | 0.5 | 0.4 | 0.9 |
| Underlying profit before tax | 7.2 | 5.2 | 12.4 |
| Income tax expense | (2.2) | (1.2) | (3.4) |
| Underlying profit after tax | 5.0 | 4.0 | 9.0 |

COMMENTS

- Net premiums largely driven by inforce book; not yet reflective of growth initiatives
- Net claims incurred and expenses broadly in line with expectations, small negative experience due to impact from new business volumes
- Lapse losses (1H:\$0.6m; 2H:\$1.2m). Credit card collection issue¹ normalised in last quarter of FY11. Lapse assumptions increased by 0.5% reflective of recent trends
- Increase in expenses in 2H reflective of investment in growth initiatives (lag in new business volumes)

¹ Relates to a change in the billing system for credit card collections implemented in 1H that caused a short term impact on lapses in FY11.

WEALTH MANAGEMENT – FY11

| \$M, YEAR END JUNE | 1H | 2H | FY11 |
|-------------------------------------|------------|------------|-------------|
| Fee revenue | 15.7 | 15.1 | 30.8 |
| Interest income | 1.2 | 1.1 | 2.3 |
| Commissions expense | (3.8) | (4.0) | (7.8) |
| Operating expenses | (6.0) | (6.6) | (12.6) |
| Underlying profit before tax | 7.1 | 5.6 | 12.7 |
| Income tax expense | (2.1) | (0.4) | (2.5) |
| Underlying profit after tax | 5.0 | 5.2 | 10.2 |
| Funds under management ¹ | 1,564 | 1,515 | 1,515 |
| Net flows ¹ | (87) | (60) | (147) |
| Market movement ¹ | 107 | 31 | 138 |

COMMENTS

- Fee revenue largely driven by FUM¹
- Reduction in 2H FUM despite improvement in net flows due to lower positive market movement
- Inflows lower than historical levels reflecting industry trends, change in distribution model and product structure
- Additional tax benefit in 2H
- Business well positioned for regulatory changes

¹ Includes retail unit trust funds: FUM of \$147m (Jun 11)/\$155m (Dec 10); net outflows of \$8m (Jun11)/\$10m (Dec 10) and positive market movement of \$1m (Jun 11)/\$14m (Dec 10); profit from retail unit trusts is included under Planning in FY11.

FINANCIAL PLANNING – FY11

| \$M, YEAR END JUNE | 1H | 2H | FY11 |
|-------------------------------------|--------------|--------------|--------------|
| Fee revenue | 10.4 | 10.0 | 20.4 |
| Interest income | 0.3 | 0.3 | 0.6 |
| Commissions expense | (1.6) | (1.3) | (2.9) |
| Operating expenses | (9.2) | (9.6) | (18.8) |
| Underlying profit before tax | (0.1) | (0.6) | (0.7) |
| Income tax expense | 0.0 | 0.3 | 0.3 |
| Underlying profit after tax | (0.1) | (0.3) | (0.4) |
| Funds under advice | 1,476 | 1,446 | 1,446 |
| Net flows ¹ | 26 | 5 | 31 |

COMMENTS

- Fee revenue includes fees from ClearView’s licensed planners and from retail unit trusts (to be reclassified to Wealth in FY12)
- **Cost restructure of business unit planned in FY12 to further improve performance and reduce costs**
- Loss of \$155m in FUA in 1H from franchise planner; immaterial impact on margin due to commission structure

¹ Excludes retail unit trust funds: FUM of \$147m (Jun 11)/\$155m (Dec 10); net outflows of \$8m (Jun11)/\$10m (Dec 10) and positive market movement of \$1m (Jun 11)/\$14m (Dec 10); profit from retail unit trusts is included under Planning in FY11.

LISTED ENTITY – FY11

| \$M, YEAR END JUNE | 1H | 2H | FY11 |
|-------------------------------------|--------------|--------------|--------------|
| Interest income | 0.6 | 1.0 | 1.6 |
| Operating expenses | (0.8) | (0.2) | (1.0) |
| Underlying profit before tax | (0.2) | 0.8 | 0.6 |
| Income tax expense | 0.6 | (0.7) | (0.1) |
| Underlying profit after tax | 0.4 | 0.1 | 0.5 |
| One-off adjustments | 0.3 | (1.1) | (0.8) |
| Reported profit after tax | 0.7 | (1.0) | (0.3) |

COMMENTS

- Listed entity capital increased by \$43m (\$26m in 1H and \$17m in 2H) due to dividend from acquired subsidiary
- **Total operating expenses in FY11 representative of listed cost structure**
- Positive tax expense in 1H due to finalisation of acquisition

BALANCE SHEET REPORTED

| \$M | 30/06/11 | 30/06/10 |
|-----------------------------|--------------|--------------|
| ASSETS | | |
| Cash equivalents | 208 | 198 |
| Financial assets | 1,418 | 1,470 |
| Receivables | 10 | 7 |
| Deferred tax | 24 | 30 |
| PP&E | 1 | 1 |
| Goodwill | 5 | 4 |
| Intangible | 52 | 59 |
| Total Assets | 1,718 | 1,769 |
| LIABILITIES | | |
| Payables | 12 | 25 |
| Current tax | - | 2 |
| Provisions | 6 | 8 |
| Life Insurance ¹ | (63) | (63) |
| Life Investment | 1,368 | 1,405 |
| Unit trusts | 147 | 153 |
| Total Liabilities | 1,470 | 1,530 |
| Net Assets | 248 | 239 |

¹ Life insurance asset reflects the future recoverability of the deferred acquisition costs in accordance with the accounting standards.

IMPACT OF ESP SHARES

PER SHARE CALCULATIONS

| M, YEAR END JUNE | FY11 |
|---|------------------|
| Number of shares on issue | 409 |
| ESP shares on issue | 21 |
| Shares on issue to calculate NAV per share (A) | 430 |
| Net assets | \$248 |
| ESP loans | \$12 |
| Proforma net assets (B) | \$260 |
| NAV per share = B/A | 61 cents |
| Underlying NPAT | \$19.3 |
| Interest on ESP loans | \$0.4 |
| Proforma underlying NPAT (C) | \$19.7 |
| Underlying NPAT per share = C/A | 4.6 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”
- 20.7 million Employee Share Plan (ESP) shares on issue and \$12.0 million loans receivable at 30 June 2011**

INCOME STATEMENT

- Underlying NPAT adjusted for after tax interest on ESP loans

STRATEGIC PARTNERS

BUPA AUSTRALIA

- 10 year exclusive alliance with Bupa to distribute life insurance and wealth management products
- 3 million+ client base
 - Target market = members with discretionary ancillary health cover
 - No previous attempts by Bupa to market to Mutual Community & HBA members

OTHER STRATEGIC PARTNERS

- alliance with 6 credit unions and 2 affinity groups to distribute wealth management products
- alliance with 1 credit union to distribute life insurance and wealth management products

DISCLAIMER

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