ClearView Results Half Year ended 31 December 2021 Investor presentation

24 February 2022

Simon Swanson
Managing Director

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Executive summary

Executive summary

Business Strength

Growth Strategy

Transformation

Highlights

Operating Earnings[2]: $13.9m Up 14% **Underlying NPAT[2]: $12.7m Up 5%**	• Strong HY22 life insurance result - reflective of positive business momentum • Business remained resilient to COVID-19 impacts • Improving industry performance • Overall positive claims and lapse experience
Growing recurring revenue base	• Life insurance new business written up 24% • Gross premium income up 7% • Funds under management up 19%
Transformation on track	• Multi year life insurance transformation project and investment • Simplification of wealth management business • Separation of financial advice arm through Centrepoint Alliance transaction complete
Business Highlights	• Attractive life insurance market with improving returns • Significant market consolidation benefiting mid-tier insurers such as ClearView • Clear strategy and business foundations • Shift of focus to accelerate growth • Attractive in-force portfolio backed by strong Balance Sheet • Strategic 24.5% holding in Centrepoint Alliance
Balance Sheet Strength	• Net surplus capital position of $19.2m[1] - backed by net cash and investments of $385.1m • Embedded Value of 97.3 cents per share • An upward movement in interest rates positively impacts underlying earnings

1. Net capital position of $19.2m as at 31 December 2021 includes a working capital reserve of $10.7m that is released as the negative cash flows arise, after which time the underlying business becomes self funding (from FY23).
2. From Continuing Operations.

Overview and HY22 result

ClearView Operating Divisions

ClearView's business comprises life insurance and wealth management

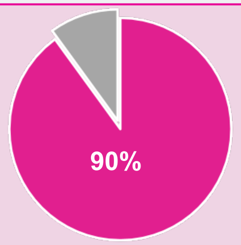
HY22 Revenue : $163.6m[1] (6%)
HY22 Operating Earnings After Tax : $13.9m[1] (14%)
HY22 Underlying NPAT[1] : $12.7m[1] (5%)
Embedded Value : $651.0m[2] *(97.3 cents per share)*

Life Insurance

Overview

- Manufactures ClearView products under a life insurance licence and distributes through independent financial advisers
- HY22 in-force premiums of $297.2m
- HY22 new business written of $10.4m

Divisional Contribution[3]



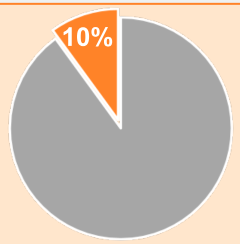
HY22 Revenue: $147.6m
HY22 Operating Earnings After Tax: $13.4m
Embedded Value (VIF) : $540.2m[2]

Wealth Management

Overview

- Manufactures superannuation and retirement income products and distributes through independent financial advisers
- HY22 in-force FUM: A$3.6bn
- HY22 net flows: $153.0m

Divisional Contribution[3]



HY22 Revenue: $16.0m
HY22 Operating Earnings After Tax: $1.1m
Embedded Value (VIF): $49.0m[2]

Financial Advice

Overview

- ClearView completed the sale of its Financial Advice businesses to Centrepoint Alliance on 1 November 2021
- As part of the transaction ClearView holds a 24.5% strategic equity interest in Centrepoint Alliance

Core Business

Note:.

1. 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); excludes the contribution of the Financial Advice business until the date of sale. 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.
2. As at 31 December 2021. EV at 4% discount rate margin, including a value for future franking credits, accrued franking credits and Employee Share Plan (ESP) loans (where applicable). EV for Life Insurance and Wealth Management represents the value of the in-force including franking credits.
3. Divisional contribution measured by revenue for the half year period.

Financials HY22 Group result

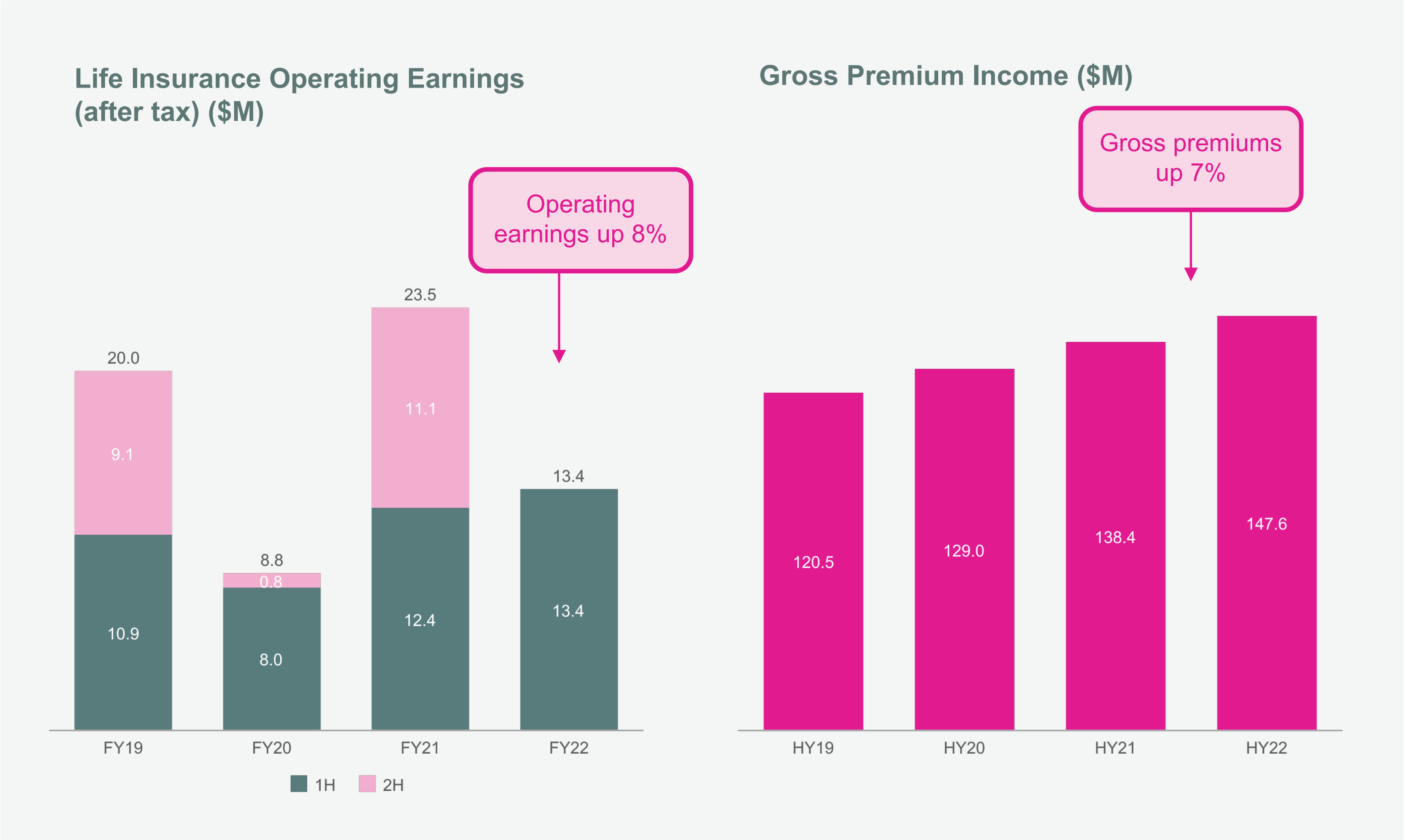
Key Observations

- Group Operating Earnings up 14%; Underlying NPAT up 5%; Life Insurance contributes 96% to Group Operating Earnings
- Strong HY22 life insurance result is in line with the improving industry performance and reflective of positive business momentum
- Continued improvement in claims performance, in force premiums growth and positive lapse experience
- Interest earnings on physical cash negatively impacted by ultra low interest rates - an upward movement in interest rates positively impacts underlying earnings
- Tier 2 interest cost from November 2020 - impacts from change in capital structure of $1.1m between periods
- Multi year life insurance transformation project and investment - includes implementation of new technology platform (aligned to the launch of new ClearView ClearChoice product) in HY22
- ClearView ClearChoice has new product design and pricing for IP product - improved product profitability and sustainability
- Centrepoint Alliance transaction equity accounted for two month period post completion

After Tax Profit by Segment, $M	HY22 $M	HY21 $M	2HY21 $M	% Change[1]
Life Insurance[5]	13.4	12.4	11.1	8%
Wealth Management	1.1	0.6	0.1	95%
Listed/Group Costs	(0.6)	(0.7)	(0.4)	(18)%
Operating Earnings After Tax	**13.9**	**12.3**	**10.8**	**14%**
Net underlying investment income[9]	(1.4)	(0.2)	(1.2)	Large
Equity accounted minority interest (Financial Advice)	0.2	—	—	Large
Group Underlying NPAT (Continued Operations)	**12.7**	**12.1**	**9.6**	**5%**
Financial Advice (Discontinued Operation)	(0.7)	0.9	0.1	Large
Group Underlying NPAT	**12.0**	**13.0**	**9.7**	**(7)%**
Policy liability discount rate effect[3]	(2.4)	(1.3)	(10.1)	80%
Wealth Management project[2]	—	(1.5)	(1.6)	Large
Impairments[4]	(0.8)	(0.6)	(0.9)	4%
Strategic Review Costs[6]	(2.0)	—	—	Large
Sale of Advice Business[7]	11.8	—	—	Large
Other costs[8]	(0.4)	0.1	(0.2)	Large
Reported Profit After Tax	**18.2**	**9.7**	**(3.0)**	**89%**

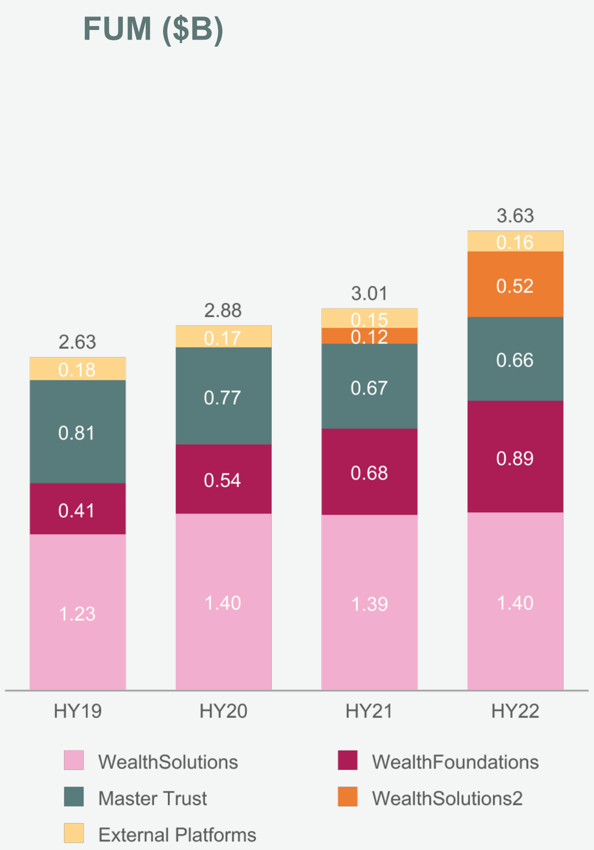
1. % change HY22 to HY21.
2. Costs associated with transition to HUB24 platform.
3. The policy liability discount rate effect is the result of changes in the long-term discount rates used to determine insurance policy liabilities and the incurred income protection disabled lives claims reserves. The life insurance policy liability (based on AIFRS) and income protection incurred disabled lives reserves are discounted using market discount rates that typically vary at each reporting date and create volatility in the policy liabilities and the disabled lives claims reserves, and consequently, earnings. ClearView reports this volatility separately.
4. HY22 relates to the impairment of ClearView's head office lease right of use asset given the reduction in headcount subsequent to the Financial Advice transaction. HY21 impairments relate to the receivable from ClearView Retirement Plan (CRP). The recoverability of the receivable from CRP will continue to be assessed at each reporting period.
5. Includes 2HFY21 impact of $2.9m from changes made to income protection claims assumptions at 30 June 2021 as part of the APRA IDII review and adoption of new tables. From 1 January 2021, APRA has required companies to base their IP claims assumptions on the most recent industry table, with a release date not older than 18 months.
6. Costs incurred on the evaluation of strategic options for the potential change in major shareholder. Costs incurred in HY22 relate to preparation of due diligence reports and legal fees incurred to date.
7. The gain recognised on the sale of CFA, MPS and Lavista Licensee Solutions to Centrepoint Alliance on 1 November 2021, net of costs to sell. Includes $0.2m of costs in relation to the acquisition of a strategic stake in Centrepoint Alliance.
8. Other costs include $0.3m of amounts expensed in HY22 in relation to the life insurance IT transformation project.
9. Net underlying investment income includes investment income on shareholder cash of $0.6m (HY21: $0.7m) and interest expense on corporate debt (including Tier 2) of $2.0m (HY21: 0.9m).

Life Insurance HY22 result



- Recurring revenue base up 7%; New business volumes increased 24% to $10.4m in HY22
- Continued improvement in Life Insurance profitability in HY22
- Positive momentum in the underlying business
- Overall positive claims and lapse experience in HY22
- HY22 included launch of new ClearView ClearChoice product (supported by the new IT platform)
- New ClearView ClearChoice product is likely to benefit from broader reset of the industry, an increased focus on sustainability and return to pricing rationality in the market
- Clear targets for continued transformation of business in 2H FY22

Wealth Management HY22 result



- FUM up 19%, driven by positive net flows and investment performance
- Fees up 3% given margin compression, transition of wrap business to HUB24 and reduction of FUM in model portfolios (net margin earned 0.54% vs 0.59%)
- Positive flows into WealthFoundations product - key product focus as part of simplification strategy
- Launch of wrap product on HUB24 (WealthSolutions 2) - limited margin impacts from administration fees; use of model portfolios key to success of product
- Simplification of business continues - leads to cost base reductions, coupled with digitisation of wealth front end to generate increased flows
- Costs are expected to reduce progressively as simplification process is implemented in 2H FY22

Sale of Financial Advice Business

Exit of direct ownership of adviser networks in November 2021

ClearView Financial Advice
MATRIX Planning Solutions
LaVista Licensee Solutions
+
Centrepoint Alliance
=

Centrepoint Alliance Post Acquisition

- Significant operating leverage and scale
- Immediate synergies from operating expense reductions
- Creation of platform and capability to further consolidate market
- Strategic shareholder and partner with 24.5%

- Subscale on a standalone basis - discontinued operation for 4 month period - $0.7m Underlying NPAT loss
- Mid-sized dealer groups with strong technology and compliance processes
- Sold to Centrepoint Alliance with effect from 1 November 2021
  - HY22: Proceeds of $16.4m including 24.5% interest; Profit on sale of $12m; Transaction costs of $0.2m associated with acquisition of stake
  - HY22 Impairment of leased premises (reduced head count): $0.8m
  - HY22 Equity accounted earnings: $0.2m
  - Stranded expenses are expected to peak at $2.0m in FY22 and to reduce to $1.3m, progressively over time

Benefits of Exit of Direct Ownership of Adviser Networks Include:

- Provides ClearView with 24.5% stake in a larger advice network that has scale
- Allows ClearView to have a position in the consolidation of the independent financial adviser market
- Separation of financial advice and manufacturing arms

Balance sheet strength

Net Assets

	HY19	HY20	HY21	HY22
Net assets ($m)	446.8	449.4	462.2	472.4
Net assets per share (cps)	70.3	69.4	72.6	74.1

Embedded Value

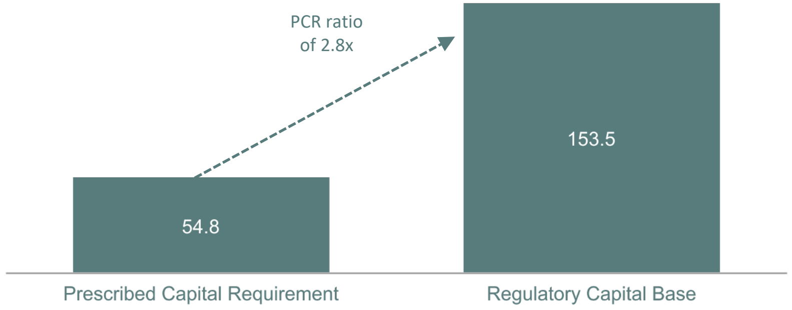
	FY19	FY20[3]	FY21[3]	HY22
Embedded Value ($m)	672.6	643.4	640.4	651.0
Embedded Value per share (cps)	99.4	95.3	95.7	97.3

Capital ($m)

	FY19	FY20	FY21	HY22
Regulatory requirement	32.3	34.7	55.2	54.8
Regulatory capital base	66.8	67.9	149.1	153.5
Surplus/(Deficit)[2]	5.1	4.2	14.3	19.2

- Asset concentration risk addressed in medium term[1]
- Includes APRA supervisory adjustment as part of IDII sustainability measures
- Capital backed by net cash and investments of $385m
- From FY20, EV calculations include strengthening of assumptions and potential impacts from COVID-19[3]
- Surplus capital of $19.2m post FY21 cash dividend and capital uplift from sale of financial advice businesses
- Group PCR coverage ratio of 2.8X

Group Regulatory Capital Coverage ($M)



1. Incurred claims treaty for income protection completed in FY21.
2. FY19 and FY20 includes amounts drawn down under debt facility. Permanent capital solution in place from FY21 (Tier 2 capital raising completed in November 2020).
3. Includes material changes to claims assumptions, including short term COVID-19 overlays, adoption of new IDII tables in FY21, staggered price increases on LifeSolutions portfolio and related shock lapse assumptions. Also includes change to the expense assumption in FY21. Actuarial assumptions have been reset over time to align to changing market conditions.

Key investment highlights

Key investment highlights

ClearView

1 — Attractive life insurance market with improving returns and a strong growth outlook

- The Australian life insurance market is fundamentally attractive
- Improving industry profitability driven by structural reforms focused on sustainability
- Significant underinsurance gap
- Consumer demand remains strong despite structural factors that have historically affected new business

2 — Significant market consolidation benefiting mid-tier insurers such as ClearView

- ClearView is ideally placed to become core pillar of the intermediated channel
- Unique retail focused strategy with “end to end” business model and limited legacy issues
- Ability to take advantage of the market construct, as advisers seek depth and diversity of carrier

3 — Clear strategy and business foundations

- Recent business transformation project and investment…
- ...launch of the new ClearView ClearChoice product, supported by the implementation of a new technology platform…
- Simplification of wealth management business
- Separation of financial advice arm through Centrepoint Alliance transaction
- ClearView is developing a broad Corporate Social Responsibility Programme and achieved carbon neutral status in 2021

4 — Shift of focus to accelerate growth

- Strategic focus has recently shifted back to new business sales underpinned by transformation strategy
- Now that product, pricing and platform issues are largely being addressed, this places ClearView in a strong position to regain new business share
- Demonstrable historical track record of strong growth in IFA market

5 — Attractive in-force portfolio backed by strong Balance Sheet

- Stable cash flows from in-force portfolio underpinned by actuarial assumptions that were reset more recently to align to changing market conditions
- Net assets backed by cash and highly rated securities
- Capital position resilient to stress scenarios

1 The Australian Life Insurance Industry is a Fundamentally Attractive Market

The Australian Life Insurance Market is fundamentally attractive as it is focused primarily on risk-only products, with flexible contract structures (that allow repricing) and supportive public policy settings with strong underlying demand

Life Insurance Market Characteristics

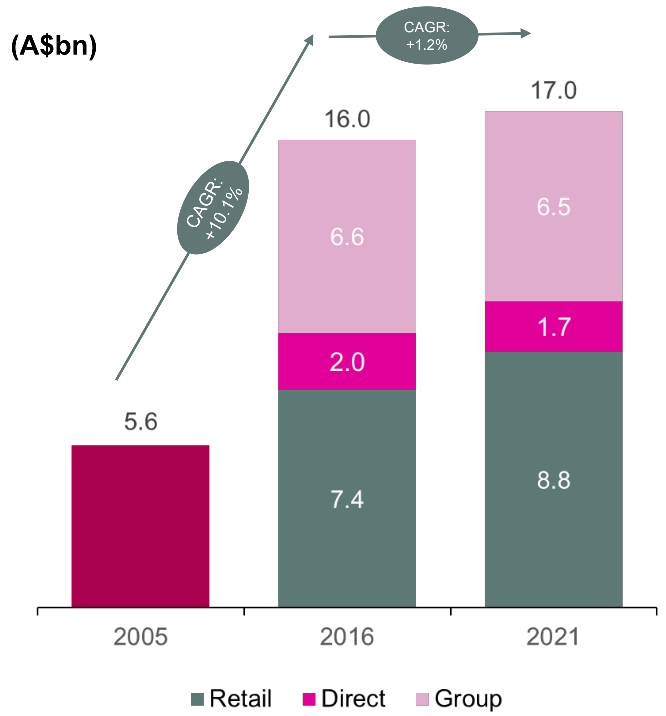
1. Market is a **"risk" market** that allows pricing for risk without cross subsidies

2. Market is a **yearly renewable premium market**, allowing recent historical issues to be addressed quickly

3. Regulation allows for:
   - **Tax deductability**
   - **Payment out of super**, which supports growth and market penetration

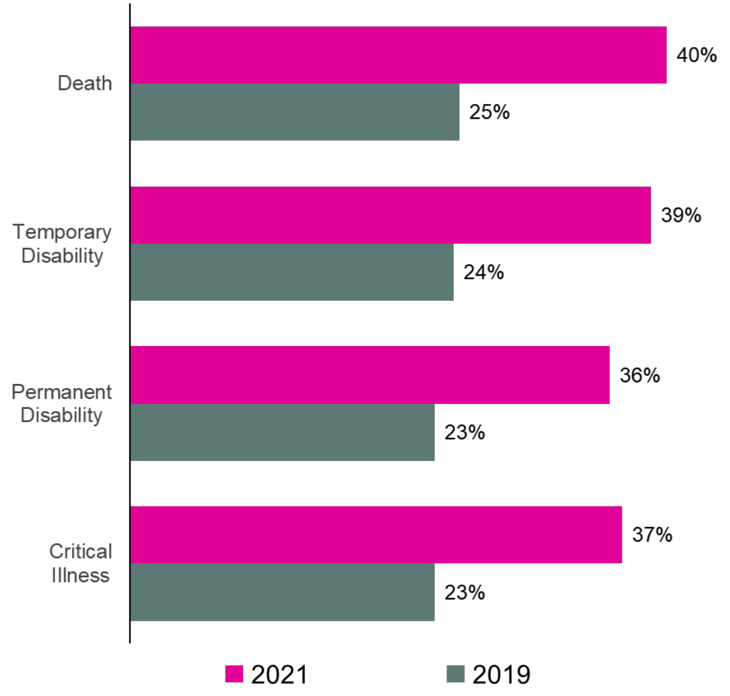
The Australian market has strong fundamental drivers given it is a pure risk market, inherent ability to reprice contracts as well as supportive public policy

Life Insurance In-force Premiums by Channel[1]



The market has historically grown at ~10% p.a. – market has been relatively flat in recent years due to specific supply side regulatory issues that are now being addressed

Consumer Purchase Intentions[2] (2019 vs 2021)



The lack of recent growth in the market supports a rebound in growth

Source: NMG Consulting, Plan for Life.
(1) Rolling 12 months, Q2 2016 –2021 from NMG; 2005 data from Plan for Life (2) % of respondents who are likely to purchase product in the next 2 to 3 years.

2 Market Consolidation in the Life Insurance Sector

There has been material consolidation in the sector. This period of market consolidation has created some shorter term focus for certain industry participants

Life Insurance Landscape (June 2015)

Large Players (8) — AIA, TAL, MLC, OnePath, AMP, CommInsure, Suncorp, Westpac

Mid-Tier (3) — ClearView, Macquarie, Zurich

Other (6) — HCF, MetLife, St Andrew's Australia, Allianz, QBE, Hallmark Group Holdings · Australia

- Period of consolidation in order to drive longer term changes in industry. Generally short term focus
- Industry now stable with market participants focused on long term return on capital

Life Insurance Landscape (June 2021)

Large Players (3) — AIA, TAL, Zurich

Mid-Tier (3) — ClearView, Nippon Life Insurance Company, NobleOak Life Insurance, neos

Other (7) — HCF, MetLife, integrity., St Andrew's Australia, Allianz, Hallmark Group Holdings · Australia, Resolution Life *In Run-off*

- Larger players predominantly bank owned
- Underinvestment by bank owned life insurers
- Bank aligned distribution channels
- Focus was on achieving top-line growth

- Industry significantly consolidated. Banks have exited the sector, bringing in experienced / skilled global life insurance players
- Focus is now on earning sustainable margins
- Barriers to entry remain high

Source: NMG Consulting.
Note: Nippon Life Insurance acquired an 80% stake in MLC Life in October 2015; Westpac Life Insurance was acquired by TAL in August 2021; Macquarie Life Insurance was acquired by Zurich in March 2016; TAL acquired Suncorp Life in August 2018; AIA acquired CBA's CommInsure Life Insurance business in September 2017; Zurich acquired ANZ's OnePath in December 2017; Resolution Life acquired AMP Life in October 2018.

3 Well-positioned for Future Growth Through Business Transformation

ClearView is well positioned for a potential market rebound due to its material investment in a business transformation program to drive customer outcomes, experiences and loyalty

Initiative	Description	Implication
Investment in Technology	• Investment in a **new underwriting engine** (launched in HY22) • Investment in a **new Policy Administration System** (launched in HY22 for new business) • Investment in **new digital interfaces for both wealth and life** (to be launched in 2H FY22)	**Scalable platform to support ease of use and efficiency for customers and advisers**
Simplification of Products, Processes and Internal Activities	• **Implementation of improved claims management initiatives** to support return to work outcomes (from 2020) • **Repricing of in-force portfolios** aligned to industry sustainability issues (from 2020) • **New ClearView ClearChoice product suite** (HY22) • **Realignment of actuarial assumptions** to changed market conditions (from 2020) • **Simplification** of wealth management business (from 2021)	**Simplification of product and processes allows ClearView to provide better customer outcomes**
Investment in Capabilities and People	• **Realignment of the organisation** by product line • **Investment in additional capabilities** with the hiring of a new Heads (and additional support roles) of Risk, Life Insurance, Transformation, Technology and Claims	**Investments into ClearView to drive growth and manage risk**
Implementing the Required Structural Changes to Enable Long Term Growth	• **Exit of direct ownership of adviser networks** (HY22) • Transition of ClearView's Private Label, WealthSolutions onto HUB24 • **Increased capital flexibility** with the raising of Tier 2 funding in November 2020	**Structural changes now implemented to allow ClearView to refocus on sales growth**

3 Recent Market Improvements: Income Protection Product Initiatives

There have been material industry and regulatory focus to address issues with income protection products. These have included regulatory actions (including capital charges), product changes (including the banning of some product categories) and re-pricing of portfolios

APRA Capital Charges

In 2020, APRA required all life insurance companies to present a plan on how they would make their income protection products sustainable

The regulator has imposed Pillar 2 Capital charges on all companies that participate in the income protection market and this will only be released when insurers have demonstrated the sustainability of income protection products

Income Protection Product Changes

A number of historical income protection products that drove historical losses have ceased being sold (including Agreed Value Income Protection policies)

All companies have launched new products (October 2021) that are modelled on a sustainable income protection product

Over time, industry will work to transition historical products onto the new sustainable product

Income Protection Pricing Changes

Over the past 18 months income protection pricing (for historical products) has materially increased

As new sustainable income protection products are established, further price increases are expected with the ability for consumers to be able to transition to the new sustainable income protection product (affordability of products)

4 Actionable Growth Strategy

ClearView

ClearView is well-positioned to capture future growth underpinned by recent investments in technology, processes and people. This is supported by a fundamentally strong in-force book

ClearView's Select Key Initiatives to Drive Future Growth

Initiative	Details	Initiative	Details
Launch ClearView ClearChoice	• Comprehensive / contemporary product offering benefiting both advisers and customers • Promotes ease of use for advisers and greater flexibility for customers	**Focus on simplified product and quality of service**	• ClearView's strategy of simplified products and ease of doing business, with a high quality service – recognised for its key competitive factors
Technological Investments	• Investment in both front-end and back-end technology capabilities • Promotes higher digital engagement and simplicity / efficiency for advisers	**Staggered In-force Repricing**	• Staggered price increases across in-force book to ensure ongoing economic sustainability • Coupled with investment in retention function to manage shock lapse risks associated with re-pricing
Strong Distribution Base	• ClearView has established a diversified distribution network with 700+ dealer groups comprising of 4,000+ advisers	**Implementation of Digital BDM Centre**	• Digital BDM centre to supplement traditional face-to-face model to improve sales • Promotes engagement with advisers to drive further penetration into existing and new adviser groups
Improved Claims Management	• Implementation of improved claims management and process capability to achieve return-to-work outcomes	**Partnership / Referral**	• Implementation of partnership / referral arrangements • Drives further lead generation and referrals • Digital front end and customer engagement strategy

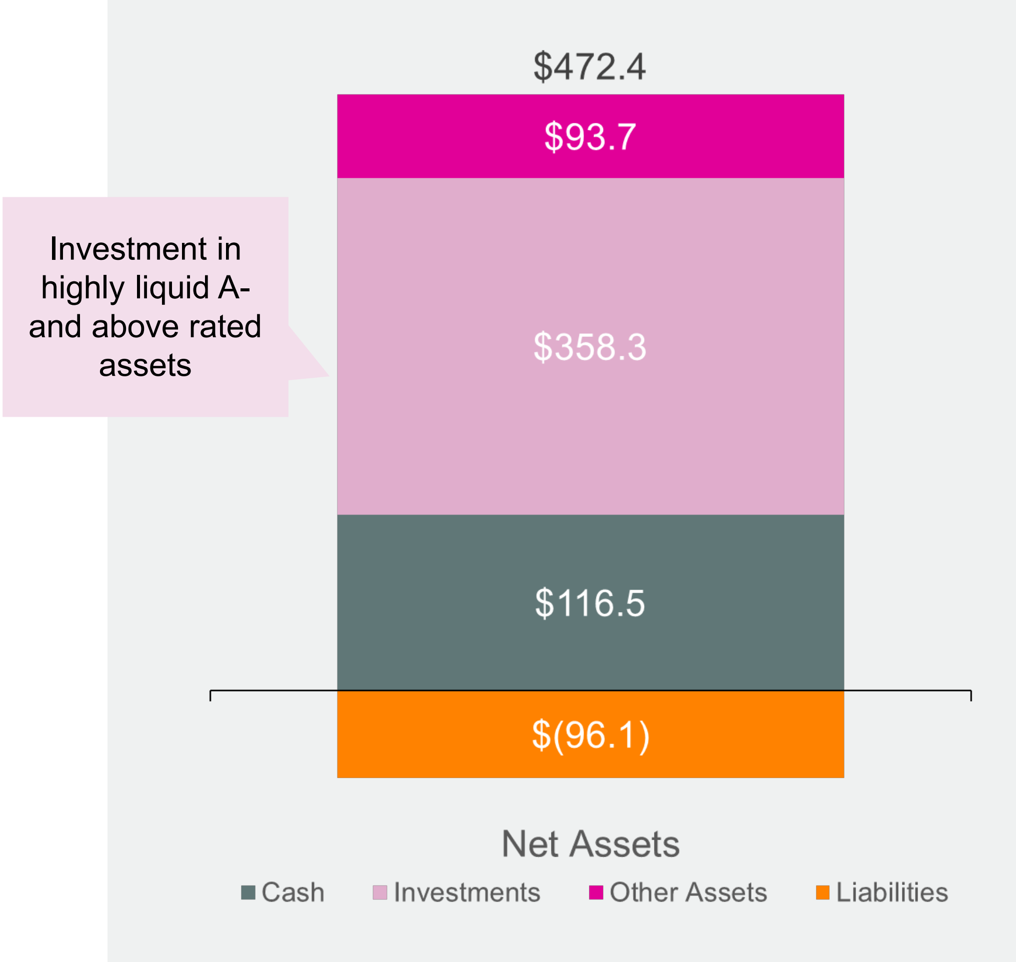
5 ClearView’s Net Assets are Highly Liquid

ClearView’s balance sheet provides strong downside protection due to its high level of net tangible assets (including cash and cash like assets of ~A$475m)

$472m
Net Assets

- In total ClearView has $472.4m of net assets, which are primarily cash backed or cash like in nature
  - **Cash and cash equivalents**: $116.5m
  - **Investments in highly rated fixed income securities**: $358.3m
- ClearView’s investment portfolio is largely shorter duration with appropriate asset/ liability matching
- An increase in interest rates is overall net positive, given its impacts on investment returns (as returns increase on the capital held by ClearView to support in-force policies and new business generation) and the discounted costs of future income protection claims
- High level of capital base and the strong cash generation implicit in the Embedded Value of the business mean that there is strong downside protection

Net Assets as at 31 December 2021 ($m)



Outlook

Business outlook

We continue to have a set of clear targets for the continued transformation of our life insurance business in FY22, with outcomes determined by the successful implementation of the new IT platform, launch of ClearChoice and risks associated with the repricing of the LifeSolutions

- Australian life insurance market is fundamentally attractive with improving industry profitability, regulatory outlook and broader industry reset underway

- Significant market consolidation presents opportunity for ClearView to gain market share by being a nimble, efficient and locally focused life insurer

- Profitability of IP business for industry as a whole starting to improve given launch of new products from October 2021 in line with the APRA IDII sustainability measures

- Strategic focus has recently shifted back to new business sales, underpinned by launch of new ClearView ClearChoice product in HY22, supported by implementation of new platform

- Now that product, pricing and platform issues are largely being addressed, coupled with business transformation program, places ClearView in a strong position to regain new business share

- Focus on simplification of wealth management business that leads to cost base reductions, coupled with digitisation of wealth front end to generate increased flows

- Sale of financial advice businesses and acquisition of a strategic equity stake in Centrepoint Alliance - allows participation in industry consolidation and separation of financial advice arm

Financial outlook

Strong HY22 result - reflective of strong business momentum. Any upward movement in rates positively impacts underlying earnings.

Strong Balance Sheet and capital base resilient to various stress scenarios. Net surplus capital position of $19.2m[2]

Surplus capital position and future capital generation is anticipated to fund the future investment in new technology platform (multi year transformation program)

Forecast capital generation allows for progressive increased new business generation (and market share) and staggered price increases of LifeSolutions in-force portfolio (over a period of time)

Ultra low interest rate environment continues to adversely impact earnings. Any upward movement in interest rates positively impacts underlying earnings

Embedded Value of 97.3 cps that reflects the discounted cash flows of the in-force portfolios. Attractive in-force portfolio backed by strong Balance Sheet

Solid growth in Operating Earnings[4] in FY22 (relative to FY21)[1] and further increases in FY23 supported by the implementation of the strategy

Strategic review formal process now underway[3]. Given the Omicron outbreak it was considered prudent to delay commencement of formal process until February 2022

1. Assuming the achievement of best estimate assumptions in 2H FY22 (in particular for claims and lapses). While estimates and allowances have been made in the claims and lapse assumptions adopted, given the fluidity of the COVID-19 pandemic and operating environment, potential impacts from any deterioration in economic conditions or unanticipated more severe outbreaks from any new strains of the virus (and the related flow on effects to claims and affordability of premiums), actual experience relative to best estimate assumptions adopted may be impacted and would potentially impact on Operating Earnings. Includes staggered price increases on LifeSolutions portfolio and related shock lapse assumptions.
2. As at 31 December 2021, after the payment of FY21 final cash dividend in September 2021 and benefit from the Centrepoint Alliance transaction.
3. Following the appointment of BofA Securities as the exclusive financial adviser, the review continues to assess ClearView's strategic options to unlock and enhance value for ClearView shareholders, including potential change of control transactions. There are no assurances that the ClearView Board will decide to pursue any transaction, nor that any transaction or transactions will result from the review.
4. From continuing operations.

Glossary

AFSL	Australian Financial Service Licence; AR is an authorised representative
Operating Earnings or Operating Earnings After Tax from Continuing Operations	Operating Earnings (after tax) represents the Underlying NPAT of the business segments before 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 from Continuing Operations	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.
Continuing Operations or Continued Operations	Includes the Life Insurance and Wealth Management business units, listed segment and equity accounted earnings of Centrepoint Alliance from the date of completion (1 November 2021); excludes the contribution of the Financial Advice business until the date of sale. No adjustments have been made in the relevant periods 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
MPS/ CFA	Matrix Planning Solutions Limited and ClearView Financial Advice Pty Limited, the ClearView dealer groups that previously operated as part of the financial advice segment
Embedded Value or EV	Embedded Value at 4% discount rate margin, including a value for future franking credits, accrued franking credits and ESP loans.
New PAS or Technology Platform	New contemporary life insurance policy administration system and integrated automated underwriting rules engine, initially launched in HY22 for new business

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Appendix Additional Financial Information

Consolidated HY22 results: Shareholder view[1]

6 Months to December 2021 ($M)[1]	2019			2020			2021			2022	%
	1H	2H	FY19	1H	2H	FY20	1H	2H	FY21	1H	Change[2]
Gross life insurance premiums	120.5	122.6	243.1	129.0	131.0	260.0	138.4	139.8	278.2	147.6	7%
Fund management fees	17.7	16.7	34.4	16.7	15.8	32.5	15.5	15.5	31.0	16.0	3%
Other Income	—	—	—	—	—	—	—	0.4	0.4	—	(100%)
Gross Income	**138.2**	**139.3**	**277.5**	**145.7**	**146.8**	**292.5**	**153.9**	**155.7**	**309.6**	**163.5**	**6%**
Net claims incurred	(17.0)	(18.9)	(35.9)	(22.6)	(35.5)	(58.1)	(19.1)	(25.4)	(44.5)	(21.0)	10%
Reinsurance premium expense	(34.1)	(37.5)	(71.6)	(41.3)	(45.5)	(86.8)	(50.2)	(54.0)	(104.2)	(58.0)	16%
Commission and other variable expenses	(37.1)	(34.5)	(71.6)	(31.8)	(29.8)	(61.6)	(29.0)	(29.6)	(58.6)	(32.1)	11%
Funds management expenses	(4.9)	(4.6)	(9.5)	(4.8)	(4.5)	(9.3)	(4.3)	(4.3)	(8.6)	(4.2)	(2%)
Operating expenses	(35.1)	(33.3)	(68.4)	(32.5)	(29.0)	(61.5)	(35.1)	(37.3)	(72.4)	(38.1)	9%
Movement in policy liabilities	7.1	3.9	11.0	(0.3)	0.6	0.3	1.1	10.5	11.6	9.6	748%
Total Operating Earnings (before tax)	**17.0**	**14.5**	**31.5**	**12.4**	**3.0**	**15.4**	**17.4**	**15.5**	**32.9**	**19.6**	**13%**
Income tax (expense) / benefit	(5.0)	(4.5)	(9.5)	(3.5)	(0.9)	(4.4)	(5.2)	(4.6)	(9.8)	(5.7)	11%
Total Operating Earnings (after tax)	**12.0**	**10.0**	**22.0**	**8.9**	**2.1**	**11.0**	**12.3**	**10.7**	**23.0**	**13.9**	**14%**
Net underlying interest income	1.1	1.0	2.1	0.7	0.7	1.5	(0.2)	(1.1)	(1.3)	(1.4)	Large
Equity accounted minority interest (Financial Advice)	—	—	—	—	—	—	—	—	—	0.2	Large
Underlying NPAT (Continued Operations)	**13.2**	**10.9**	**24.1**	**9.6**	**2.9**	**12.5**	**12.1**	**9.6**	**21.7**	**12.7**	**5%**
Financial Advice (Discontinued Operations)	0.1	0.9	1.0	0.6	1.7	2.3	0.9	0.1	1.0	(0.7)	Large
Underlying NPAT	**13.3**	**11.8**	**25.1**	**10.2**	**4.6**	**14.7**	**13.0**	**9.7**	**22.7**	**12.0**	**(7%)**
Amortisation of acquired intangibles	(0.6)	(0.6)	(1.2)	—	—	—	—	—	—	—	N/A
Policy liability discount rate effect	2.2	4.4	6.6	(0.4)	2.6	2.2	(1.3)	(10.1)	(11.4)	(2.4)	80%
Impairments	—	(18.9)	(18.9)	—	(2.6)	(2.6)	(0.6)	(0.9)	(1.5)	(0.8)	(4%)
Cost Out Program Implementation Costs	—	(3.8)	(3.8)	—	—	—	—	—	—	—	NA
Wealth Project Costs	—	—	—	—	(1.4)	(1.4)	(1.5)	(1.6)	(3.1)	—	Large
Direct Remediation Program, Direct Closure Provision and Royal Commission Costs	(1.9)	(0.5)	(2.4)	—	—	—	—	—	—	—	NA
Sale of Advice Business	—	—	—	—	—	—	—	—	—	11.8	Large
Strategic Review Costs	—	—	—	—	—	—	—	—	—	(2.0)	Large
Other costs	(1.5)	0.1	(1.4)	—	0.2	0.2	0.1	(0.2)	(0.1)	(0.4)	Large
Reported NPAT	**11.5**	**(7.5)**	**4.0**	**9.8**	**3.3**	**13.1**	**9.7**	**(3.0)**	**6.7**	**18.2**	**89%**

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. 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.
2. % change represents the movement from HY21 to HY22.

Life Insurance

6 Months to December 2021 ($M)[1]	2019 1H	2019 2H	FY19	2020 1H	2020 2H	FY20	2021 1H	2021 2H	FY21	2022 1H	% Change[2]
Gross life insurance premiums	120.5	122.7	243.1	129.0	131.0	260.0	138.4	139.8	278.2	147.6	7%
Other income	—	—	—	—	—	—	—	0.2	0.2	—	NA
Net claims incurred	(17.0)	(18.9)	(35.9)	(22.6)	(35.5)	(58.1)	(19.1)	(25.5)	(44.5)	(21.0)	10%
Reinsurance premium expense	(34.1)	(37.6)	(71.6)	(41.3)	(45.5)	(86.8)	(50.2)	(54.0)	(104.2)	(58.0)	16%
Commission and other variable expenses	(34.0)	(31.6)	(65.6)	(29.0)	(27.2)	(56.2)	(26.4)	(26.9)	(53.3)	(29.8)	Large
Operating expenses	(26.9)	(25.0)	(51.9)	(24.4)	(21.6)	(46.1)	(26.1)	(28.2)	(54.3)	(29.3)	12%
Movement in policy liabilities	7.1	3.9	11.0	(0.3)	0.6	0.3	1.1	10.5	11.6	9.6	Large
BU Operating Earnings (before tax)	**15.6**	**13.4**	**29.0**	**11.4**	**1.7**	**13.1**	**17.7**	**15.9**	**33.6**	**19.0**	**7%**
Income tax (expense) / benefit	(4.7)	(4.3)	(9.0)	(3.4)	(0.8)	(4.2)	(5.3)	(4.8)	(10.1)	(5.6)	5%
BU Operating Earnings (after tax)	**10.9**	**9.1**	**20.0**	**8.0**	**0.8**	**8.8**	**12.4**	**11.1**	**23.5**	**13.4**	**8%**
Net underliyng interest income	1.0	1.0	2.0	0.7	0.9	1.6	0.4	0.2	0.6	(0.1)	Large
Underlying NPAT	**11.9**	**10.1**	**22.0**	**8.7**	**1.7**	**10.4**	**12.8**	**11.3**	**24.1**	**13.3**	**3%**
Policy liability discount rate effect (after tax)	2.2	4.4	6.6	(0.4)	2.6	2.2	(1.3)	(10.1)	(11.4)	(2.4)	80%
Impairments	—	(5.0)	(5.0)	—	(2.6)	(2.6)	(0.6)	(0.9)	(1.5)	—	Large
Cost Out Program Implementation Costs	—	(1.5)	(1.5)	(0.1)	(0.5)	(0.6)	—	—	—	—	Large
Direct Remediation Program and Royal Commission Costs	—	(2.0)	(2.0)	(0.5)	0.1	(0.4)	—	—	—	—	Large
Other costs	—	(0.9)	(0.9)	—	0.3	0.3	—	—	—	(0.3)	Large
Reported NPAT	**14.1**	**5.1**	**19.2**	**7.6**	**1.7**	**9.4**	**10.9**	**0.3**	**11.2**	**10.6**	**(3%)**

Analysis of Profit ($M)	2019 1H	2019 2H	FY19	2020 1H	2020 2H	FY20	2021 1H	2021 2H	FY21	2022 1H	% Change[2]
Expected Underlying NPAT[3]	**16.0**	**15.9**	**31.9**	**15.5**	**15.3**	**30.8**	**14.3**	**13.0**	**27.3**	**13.7**	**4 %**
Claims experience	(2.1)	(1.3)	(3.4)	(4.7)	(7.8)	(12.5)	3.2	1.0	4.2	0.5	(85%)
Lapse experience	(2.9)	(2.7)	(5.6)	(1.4)	0.1	(1.3)	(0.9)	4.6	3.7	0.2	(126%)
Expense experience	0.6	0.5	1.1	0.3	(0.1)	0.2	(2.7)	(4.0)	(6.7)	(1.1)	(61%)
Other	0.2	(0.4)	(0.2)	(1.0)	0.1	(0.9)	(1.1)[4]	(0.3)	(1.5)[4]	0.1[4]	(93%)
Actual Underlying NPAT before claims assumptions	**11.9**	**11.9**	**23.8**	**8.7**	**7.6**	**16.3**	**12.8**	**14.2**	**27.0**	**13.3**	**3%**
Claims Assumptions Changes	—	(1.8)	(1.8)	—	(5.9)	(5.9)	—	(2.9)	(2.9)	—	Large
Actual Underlying NPAT	**11.9**	**10.1**	**22.0**	**8.7**	**1.7**	**10.4**	**12.8**	**11.3**	**24.1**	**13.3**	**3%**

Key Statistics And Ratios ($M)	2019 1H	2019 2H	FY19	2020 1H	2020 2H	FY20	2021 1H	2021 2H	FY21	2022 1H	% Change[2]
New Business	**21.9**	**17.3**	**39.3**	**14.2**	**10.1**	**24.2**	**8.4**	**7.9**	**16.3**	**10.4**	**24 %**
LifeSolutions	21.9	17.3	39.2	14.2	10.1	24.2	8.4	7.9	16.3	8.9	7%
ClearChoice	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5	Large
In-Force	**240.7**	**252.6**	**252.7**	**260.6**	**270.8**	**270.9**	**282.0**	**289.8**	**289.9**	**297.3**	**5%**
LifeSolutions	201.7	214.8	214.8	223.9	234.9	234.9	246.6	254.5	254.5	260.6	6%
Direct	39.0	37.7	37.7	36.7	35.9	35.9	35.4	35.3	35.3	35.2	Large
ClearChoice	—	—	—	—	—	—	—	—	—	1.5	Large
Cost to Income Ratio	**23.0 %**	**21.5 %**	**22.2 %**	**19.7 %**	**17.1 %**	**18.4 %**	**19.6 %**	**20.1 %**	**19.5 %**	**19.8 %**	

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 HY21 to HY22.
3. Expected Underlying NPAT of $13.7m reflects expected profit margins on in-force portfolios based on actuarial assumptions. Includes changes made to assumptions at 30 June 2021 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 2021 ($M)[1]	2019 1H	2019 2H	2019 FY19	2020 1H	2020 2H	2020 FY20	2021 1H	2021 2H	2021 FY21	2022 1H	% Change[2]
Fund management fees	17.7	16.7	34.4	16.7	15.7	32.5	15.5	15.5	31.0	16.0	3%
Other income	—	—	—	—	—	—	—	0.2	0.3	—	Large
Funds management expenses	(4.9)	(4.6)	(9.5)	(4.8)	(4.5)	(9.3)	(4.3)	(4.3)	(8.6)	(4.2)	(2%)
Variable expense[3]	(3.0)	(2.9)	(5.9)	(2.8)	(2.6)	(5.4)	(2.5)	(2.7)	(5.3)	(2.2)	(11%)
Operating expenses	(7.5)	(7.7)	(15.3)	(7.4)	(6.7)	(14.1)	(8.3)	(8.7)	(16.9)	(8.1)	(1%)
BU Operating Earnings (before tax)	**2.3**	**1.5**	**3.8**	**1.6**	**2.0**	**3.6**	**0.4**	**—**	**0.4**	**1.4**	**213%**
Income tax (expense) / benefit	(0.4)	(0.1)	(0.5)	(0.2)	(0.2)	(0.4)	0.1	0.1	0.2	(0.3)	Large
BU Operating Earnings (after tax)	**1.9**	**1.4**	**3.3**	**1.4**	**1.8**	**3.3**	**0.6**	**0.1**	**0.6**	**1.1**	**95%**
Underlying investment income	0.2	0.2	0.4	0.2	0.1	0.3	0.1	—	0.1	—	0%
Underlying NPAT	**2.1**	**1.5**	**3.6**	**1.6**	**2.0**	**3.6**	**0.6**	**0.1**	**0.7**	**1.1**	**95%**
Amortisation of acquired intangibles	—	(0.1)	(0.1)	—	—	—	—	—	—	—	NM
Impairments	—	(1.1)	(1.1)	—	—	—	—	—	—	—	NM
Cost Out Program Implemenation Costs	—	(0.4)	(0.4)	—	—	—	—	—	—	—	NM
Wealth Project Costs	—	—	—	—	(1.4)	(1.4)	(1.5)	(1.6)	(3.1)	—	NM
Other costs	—	(0.2)	(0.2)	—	—	—	—	(0.2)	(0.2)	(0.1)	Large
Reported NPAT	**2.1**	**(0.4)**	**1.8**	**1.6**	**0.6**	**2.2**	**(0.8)**	**(1.7)**	**(2.5)**	**1.0**	**Large**

Key Statistics And Ratios ($M)	2019 1H	2019 2H	2019 FY19	2020 1H	2020 2H	2020 FY20	2021 1H	2021 2H	2021 FY21	2022 1H	% Change[2]
Net Flows	**(81.2)**	**(80.8)**	**(162.0)**	**65.8**	**30.2**	**96.0**	**80.0**	169.3	**249.3**	**153.1**	**92%**
Master Trust	(70.9)	(65.7)	(136.6)	(52.6)	(41.1)	(93.7)	(45.4)	(37.2)	(82.6)	(34.0)	(25%)
WealthSolutions	(10.9)	(18.4)	(29.3)	50.4	16.6	67.0	(60.0)	(34.8)	(94.8)	(47.5)	(21%)
WealthSolutions2	—	—	—	—	—	—	110.9	183.2	294.1	193.0	Large
WealthFoundations	0.9	15.0	15.9	73.6	68.7	142.3	80.4	76.6	157.0	40.6	(50%)
External Platforms	(0.3)	(11.7)	(12.0)	(5.6)	(14.0)	(19.6)	(5.9)	(18.5)	(24.4)	1.0	(117%)
Total FUM ($B)	**2.6**	**2.8**	**2.8**	**2.9**	**2.8**	**2.8**	**3.0**	**3.4**	**3.4**	**3.6**	**20%**
Master Trust	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.7	(3%)
WealthSolutions	1.2	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1%
WealthSolutions2	—	—	—	—	—	—	0.1	0.3	0.3	0.5	Large
WealthFoundations	0.4	0.5	0.5	0.5	0.6	0.6	0.7	0.8	0.8	0.9	29%
External Platforms	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	3%
Cost to Income Ratio	**42.4%**	**46.4%**	**44.3%**	**44.5%**	**42.4%**	**43.5%**	**53.2%**	**56.1%**	**54.6%**	**50.9%**	

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 HY21 to HY22.
3. Variable expense include the platform fee payable on WealthSolutions and the intra fund advice fee paid to the Financial Advice segment on the Traditional (Master Trust) product. The internal advice fee will cease from transition of the traditional product to WealthFoundations in 2H FY22.

Listed/ Group Segment

6 Months to December 2021 ($M)[1]	2019 1H	2019 2H	2019 FY19	2020 1H	2020 2H	2020 FY20	2021 1H	2021 2H	2021 FY21	2022 1H	% Change[2]
Operating expenses	(0.7)	(0.6)	(1.2)	(0.6)	(0.7)	(1.4)	(0.7)	(0.4)	(1.2)	(0.7)	— %
BU Operating NPBT	**(0.7)**	**(0.6)**	**(1.2)**	**(0.6)**	**(0.7)**	**(1.4)**	**(0.7)**	**(0.4)**	**(1.2)**	**(0.7)**	**— %**
Income tax (expense) / benefit	—	(0.1)	—	0.1	0.1	0.3	—	—	—	0.1	Large
BU Operating NPAT	**(0.6)**	**(0.7)**	**(1.3)**	**(0.5)**	**(0.6)**	**(1.1)**	**(0.7)**	**(0.4)**	**(1.2)**	**(0.6)**	**(18) %**
Net underlying investment income	(0.1)	(0.2)	(0.3)	(0.2)	(0.3)	(0.4)	(0.7)	(1.3)	(1.9)	(1.3)	Large
Equity accounted investment in minority interest (Financial Advice)	—	—	—	—	—	—	—	—	—	0.2	Large
Underlying NPAT	**(0.7)**	**(0.8)**	**(1.5)**	**(0.7)**	**(0.9)**	**(1.6)**	**(1.4)**	**(1.7)**	**(3.1)**	**(1.6)**	**19 %**
Cost Out Program Implementation Costs	—	(1.5)	(1.5)	1.1	(0.2)	0.9	—	—	—	—	Large
Direct Closure, Remediation Program and Royal Commission Costs	(1.9)	1.5	(0.4)	—	0.3	0.3	—	—	—	—	NM
Impairments	—	—	—	—	—	—	—	—	—	(0.8)	Large
Sale of Advice Business	—	—	—	—	—	—	—	—	—	11.8	Large
Strategic Review Costs	—	—	—	—	—	—	—	—	—	(2.0)	Large
Other costs	(1.5)	1.5	—	—	(0.2)	(0.2)	—	—	—	—	NM
Reported NPAT	**(4.2)**	**0.8**	**(3.4)**	**0.4**	**(1.0)**	**(0.6)**	**(1.4)**	**(1.7)**	**(3.1)**	**7.4**	**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 HY21 to HY22.

Balance Sheet, Embedded value and capital position at 31 December 2021

Balance sheet as at 31 December 2021

ClearView

Commentary[2]

Net Asset and Capital Position

- Net assets (pre-ESP loans) of $472.4m, includes uplift from sale of financial advice businesses
- Surplus capital above internal benchmarks of $19.2m[6]

Cash, debt and investments

- Net cash and investments position of $385.1m
  - Cash and cash equivalents of $116.5m; $358.3m invested in highly rated fixed income securities
  - $16m drawn down under $60m debt facility; $75m Tier 2 capital raised reflected as subordinated debt (net of costs)
- Investment in associate of $13.7m

Goodwill and intangibles

- Goodwill of $12.5m supported by life and wealth CGUs
- Intangibles of $12.3m relates to capitalised software costs associated with life insurance systems development and contemporary wealth platform

Life Insurance policy liabilities

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

Receivables

- Includes CRP receivable $6.8m, net of $1.5m provision.

Consolidated Balance Sheet (shareholder view)[1]

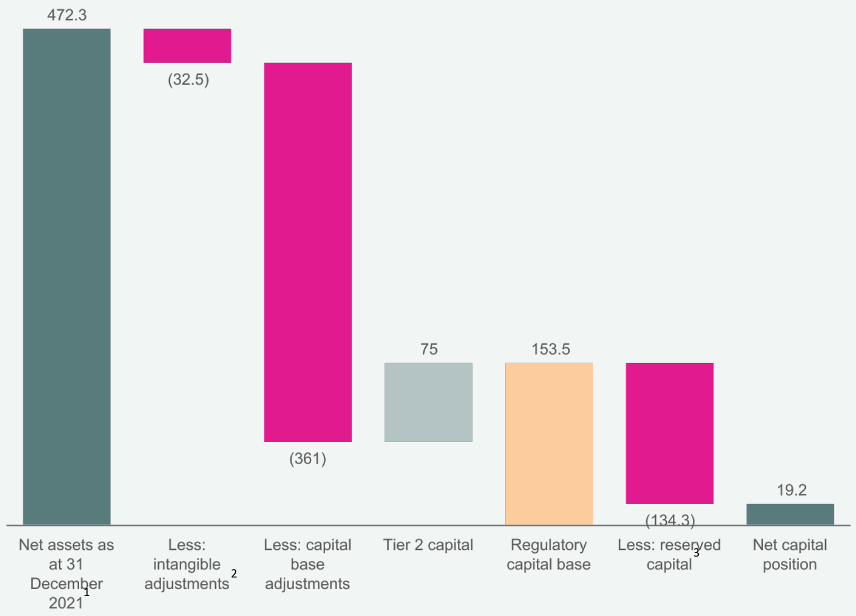
	HY22	FY21
Assets		
Cash and cash equivalents	116.5	158.7
Investments	358.3	304.5
Investment in associate	13.7	—
Receivables	37.4	33.2
Deferred tax asset	5.2	6.8
Property, Plant & Equipment	0.6	0.7
Right of use asset	12.0	14.5
Goodwill	12.5	12.5
Intangibles	12.3	7.7
Total assets	**568.5**	**538.6**
Liabilities		
Payables	44.0	42.9
Current tax liability	(2.9)	(3.0)
Lease liability	12.6	14.0
Provisions	5.8	7.6
Life insurance[3]	(53.2)	(72.8)
Borrowings[4]	16.0	16.0
Subordinated debt[5]	73.7	73.5
Deferred tax liabilities	—	0.9
Total liabilities	**96.0**	**79.2**
Net assets	**472.4**	**459.4**

Notes

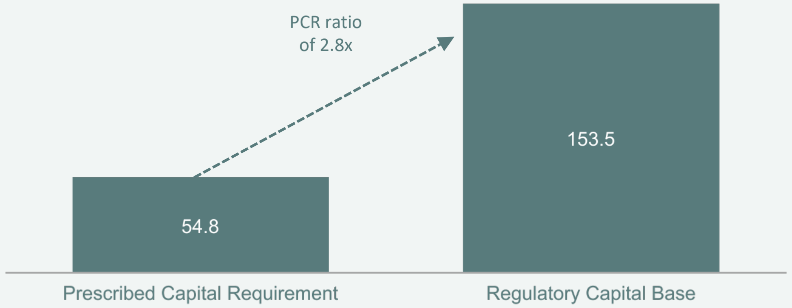
1. Shareholder view excludes the life investment contracts (i.e., unit linked business), deconsolidated retail unit trusts and reflects fees earned by the shareholder less expenses incurred.
2. As at 31 December 2021 unless otherwise stated
3. Life Insurance asset reflects insurance liabilities net of 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 2021.
5. ClearView raised $75m (net of $1.3m of costs) of Tier 2 capital in November 2020.
6. Net capital position of $19.2m as at 31 December 2021 includes a working capital reserve of $10.7m that is released as the negative cash flows arise, after which time the underlying business becomes self funding (from FY23).

Capital position at 31 December 2021

Group Capital Position Bridge - $m



Group Regulatory Capital Coverage ($M)



Commentary

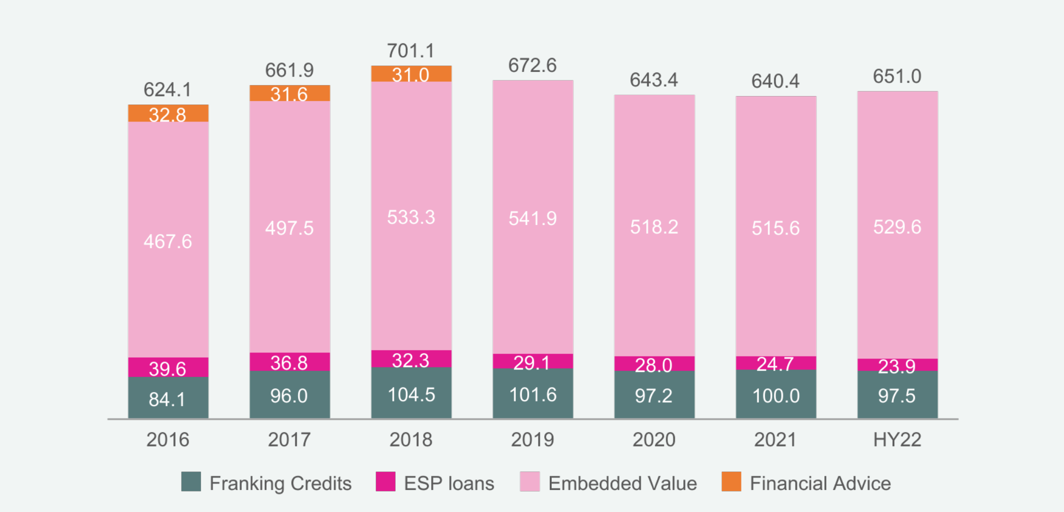
- Net capital position above internal benchmarks of $19.2m
- Intangible adjustment includes the removal from the capital position of goodwill ($12.5m), intangibles ($12.3m), CRP receivable ($6.4m) and Tier 2 capital raising costs ($1.3m)
- Capital base adjustments include removal of deferred acquisition costs ($358.9m) and deferred tax assets ($2.5m) that are not permitted to be counted in the regulatory capital base
- Regulatory capital base includes $75m of Tier 2 subordinated notes issued in November 2020
- Incurred claims treaty for income protection now in place that addresses reinsurance asset concentration risk in medium term[4]
- Prescribed capital requirement includes APRA supervisory adjustment for ClearView Life as part of IDII sustainability measures
- Capital backed by net cash and investments of $385m
- Net of FY21 cash dividend and completion of sale of financial advice businesses

Notes

1. Net Assets as at 31 December 2021 excluding ESP Loans. Net assets include the deferred acquisition costs (DAC) component of insurance policy liabilities. Includes right of use asset.
2. Intangible adjustments relate to goodwill, acquired intangibles and capitalised software. It also includes a $6.8m receivable from the ClearView Retirement Plan (CRP). As a result of the transfer of ClearView LifeSolutions Risk Only Division to HTFS Nominees Pty Limited as trustee of HUB24 Super Fund, it is anticipated that CRP will be able to generate future net taxable income. Prior years carried forward tax losses should be able to be offset by taxable income and reducing the tax liability of CRP, and hence the amount receivable from CRP. As at 31 December 2021, the Group held a receivable amount from CRP of $6.8m (30 June 2021 $9.0m). It is expected that the receivable amount will be recoverable in the foreseeable future as CRP continues to generate future taxable income. The recoverability of the receivable from CRP will continue to be assessed at each reporting period.
3. Reserved capital includes the minimum regulatory capital, APRA supervisory adjustment for ClearView Life as part of IDII sustainability measures, risk capital which is additional capital held to address the risk of breaching regulatory capital and a working capital reserve ($10.7m at 31 December 2021) held to support the capital needs of the business beyond the risk reserving basis.
4. ClearView has implemented an incurred claims treaty with Swiss Re for lump sum and income protection business, where claims (including reserve components) are paid when a claim is incurred which reduces the concentration risk exposure. There is no Asset Concentration Risk charge under LPS 117 relating to the Swiss Re exposure as at 31 December 2021.

Embedded Value as at 31 December 2021

Risk margin over risk free rate[2]: ($M), (unless otherwise stated)	3% dm	4% dm	5% dm
Life insurance	507.6	473.4	443.2
Wealth management	42.1	40.0	38.1
Value of In Force (VIF)	549.6	513.4	481.3
Net worth[3]	16.2	16.2	16.2
Total EV	**565.8**	**529.6**	**497.5**
Employee Share Plan Loans	23.9	23.9	23.9
Total EV Including ESP Loans	**589.7**	**553.5**	**521.4**
Franking Credits @ 70%:			
Life Insurance	71.4	66.8	62.8
Wealth Management	9.6	9.0	8.6
Net worth (accrued franking credits)	21.6	21.6	21.6
Total Franking Credits	**102.6**	**97.5**	**93.0**
Total EV including ESP loans and franking credits	**692.3**	**651.0**	**614.4**
EV per Share Including ESP Loans (cents)	**88.1**	**82.7**	**77.9**
EV per Share Including ESP Loans and Franking Credits (cents)	**103.4**	**97.3**	**91.8**



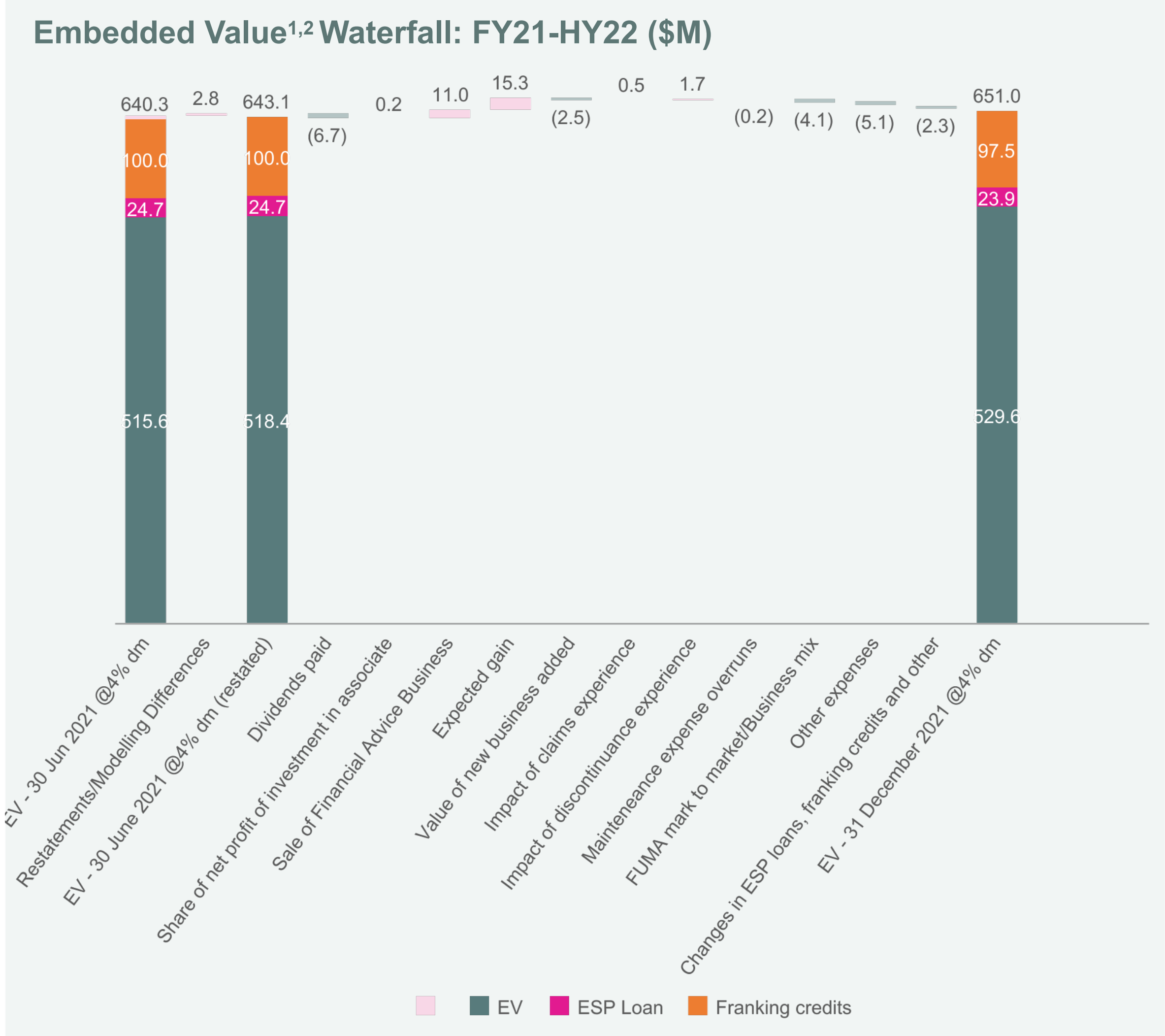
Commentary[1]

- **EV of $651.0m[1]** including franking credits and ESP Loans and the effects of restatements
- **EV per share of 97.3cps[1]** including franking credits and ESP Loans
- EV is **made up of the value of the in-force (VIF) and the net worth:**
  - EV is the **value of all business written to date** determined by actuarial assumptions and modelling
  - EV is **based only on in-force portfolios** excluding the value of any future growth potential
  - EV **includes a value of future franking credits at 70%** of their present value. This also includes a value of existing accrued franking credits ($21.6m)
  - EV **includes material assumption changes made in June 2020 and June 2021,** no further changes made at 31 December 2021
  - **Key drivers in EV[1] movement from FY21 to HY22 detailed on next slide**

Notes

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 2021 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 HY22 EV is 2% (June 2021: 2%).
3. Includes benefit from Centrepoint Alliance transaction.

Embedded Value movement analysis



- Key movements in the EV between FY21 and HY22 are as follows:
  - FY21 final cash dividend paid in September 2021
  - Uplift from the sale of the Financial Advice businesses
  - Expected gain predominantly from the unwind of the discount rate
  - Value of New Business - ClearView's more recent strategic focus has primarily been on customer retention rather than on new business sales. While retention initiatives remain in place, the focus from FY22 has now shifted back to sales, underpinned by the launch of the new ClearView ClearChoice product in HY22, supported by the implementation of a new PAS. The VNB is expected to improve (over time) given increased new business volumes, improved income protection margins from the product redesign and pricing, coupled with cost efficiencies and ease of doing business with financial advisers (from implementation of the new PAS)
  - Overall positive claims and lapse experience
  - Impacts of non-deferred expense overruns have been allowed for in EV calculations
  - Wealth management business impacted by mix of business and related margins earned

Notes

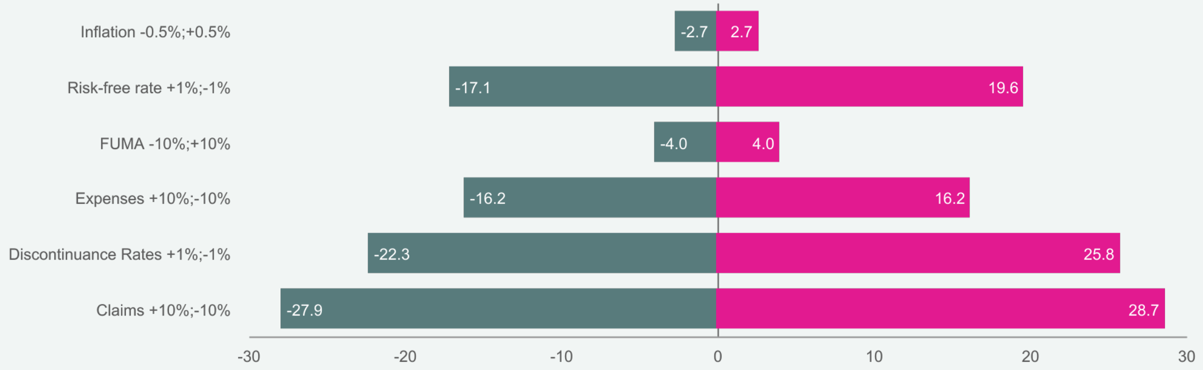
1. Embedded Value at 4% discount rate margin, including a value for future franking credits, accrued franking credits and Employee Share Plan (ESP) loans.
2. Further planned premium rate changes from 2H FY22 across the LifeSolutions portfolio have been allowed for in policy liabilities and EV calculations at 31 December 2021.

EV movement analysis @ 4% DM by segment at 31 December 2021

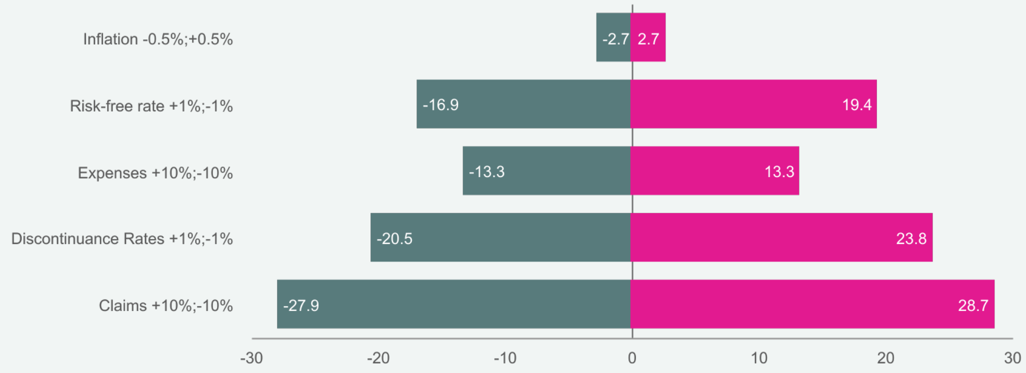
MOVEMENT ANALYSIS @ 4% dm	Life	Wealth	Advice	Other	Total
EV - 30 June 2021 @ 4% dm (As Published) incl Franking Credits and ESP Loans	**548.0**	**55.8**	**11.4**	**25.2**	**640.3**
Restatements/modeling difference	2.2	0.5	—	—	2.8
EV - 30 June 2021 @ 4% dm (Restated)	**550.2**	**56.3**	**11.4**	**25.2**	**643.1**
Movements to December 2021					
Dividends paid	—	—	(7.0)	0.3	(6.7)
Share of net profit of investment in associate	—	—	—	0.2	0.2
Sale of Financial Advice Business	—	—	(4.5)	15.4	11.0
Expected Gain	13.8	1.4	0.1	—	15.3
Value of New Business Added	(0.7)	(1.8)	—	—	(2.5)
Impact of claims experience	0.5	—	—	—	0.5
Impact of Discontinuance experience	1.8	(0.1)	—	—	1.7
Maintenance Expenses overruns	(0.1)	—	—	—	(0.2)
FUMA mark to market/Business mix	(0.7)	(3.4)	—	—	(4.1)
Other expenses	(0.6)	—	—	(4.4)	(5.1)
Changes in ESP loans, franking credits and other	0.1	(0.9)	—	(1.4)	(2.3)
EV - 31 December 2021 @ 4% dm (including Franking Credits and ESP Loans)	**564.1**	**51.5**	**—**	**35.4**	**651.0**

EV sensitivity analysis @4% DM[1]

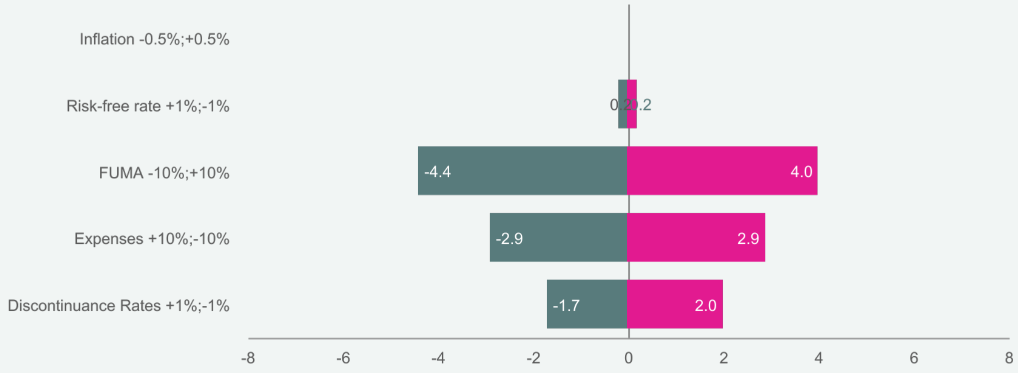
EV Sensitivity Analysis - Total @ 4% dm ($mil)



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



EV Sensitivity Analysis - Wealth @ 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 HY22 EV is 2% (June 2021: 2%).

Group net assets and capital analysis at 31 December 2021

Group Capital Position as at 31 December 2021 ($M)	Life	Wealth	Other	APRA Regulated Entities	Wealth	ASIC Regulated Entities	All Regulated Entities	NOHC[6] Other	Group
Net assets at 31 December 2021	451.8	11.1	4.3	467.2	8.7	8.7	476.0	(3.7)	472.3
Intangible adjustments[3]	(10.4)	(1.5)	—	(11.9)	(0.4)	(0.4)	(12.2)	(20.3)	(32.5)
Net assets after intangible adjustments	**441.4**	**9.6**	**4.3**	**455.4**	**8.4**	**8.4**	**463.8**	**(24.0)**	**439.8**
Capital Base Adjustment:									
Deferred Acquisition Costs (DAC)	(358.9)	—	—	(358.9)	—	—	(358.9)	—	(358.9)
Tier 2 capital	30.0	—	—	30.0	—	—	30.0	45.0	75.0
Other Adjustments to Capital Base	(2.1)	(0.1)	—	(2.1)	(0.1)	(0.1)	(2.2)	(0.2)	(2.5)
Regulatory Capital Base	**110.5**	**9.6**	**4.3**	**124.3**	**8.3**	**8.3**	**132.7**	**20.8**	**153.5**
Prescribed Capital Requirement	(42.1)	(3.9)	(3.8)	(49.8)	(5.0)	(5.0)	(54.8)	—	(54.8)
Available Enterprise Capital	**68.4**	**5.6**	**0.5**	**74.5**	**3.3**	**3.3**	**77.9**	**20.8**	**98.7**
Enterprise Capital Benchmark (ECB)									
Working Capital	(10.7)	—	—	(10.7)	—	—	(10.7)	—	(10.7)
Risk Capital[4]	(51.7)	(3.3)	—	(55.0)	(1.7)	(1.7)	(56.7)	(12.1)	(68.8)
Net capital position as at 31 December 2021	**6.0**	**2.4**	**0.5**	**8.9**	**1.6**	**1.6**	**10.5**	**8.7**	**19.2**

Reconciliation of net assets to net capital position	Life	Wealth	Advice	Other	Total
Net Assets	**451.8**	**19.9**	—	**0.6**	**472.3**
Capital included in VIF[7]	(427.9)	(17.4)	—	(10.8)	(456.1)
Net Worth	**23.9**	**2.5**	—	**(10.2)**	**16.2**
Overhead & New Business Capital[7]	(47.9)	1.5	—	(25.6)	(72.0)
Net capital position (before Tier 2 capital)	**(24.0)**	**4.0**	—	**(35.7)**	**(55.8)**
Tier 2 Capital	30.0			45.0	75.0
Net capital position as at 31 December 2021	**6.0**	**4.0**	—	**9.3**	**19.2**

2. Intangible adjustments relate to goodwill, acquired intangibles and capitalised software. It also includes a $6.8m receivable from the ClearView Retirement Plan (CRP). As a result of the transfer of ClearView LifeSolutions Risk Only Division to HTFS Nominees Pty Limited as trustee of HUB24 Super Fund, it is anticipated that CRP will be able to generate future net taxable income. Prior years carried forward tax losses should be able to be offset by taxable income and reducing the tax liability of CRP, and hence the amount receivable from CRP. As at 31 December 2021, the Group held a receivable amount from CRP of $6.8m (30 June 2021 $9.0m). It is expected that the receivable amount will be recoverable in the foreseeable future as CRP continues to generate future taxable income. The recoverability of the receivable from CRP will continue to be assessed at each reporting period.
3. Reserved capital includes the minimum regulatory capital, APRA supervisory adjustment for ClearView Life as part of IDII sustainability measures, risk capital which is additional capital held to address the risk of breaching regulatory capital and a working capital reserve ($10.7m at 31 December 2021) held to support the capital needs of the business beyond the risk reserving basis.
4. ClearView has implemented an incurred claims treaty with Swiss Re for lump sum and income protection business, where claims (including reserve components) are paid when a claim is incurred which reduces the concentration risk exposure. There is no Asset Concentration Risk charge under LPS 117 relating to the Swiss Re exposure as at 31 December 2021.
5. As at 31 December 2021, risk capital is held in regulated entities at 97.5% probability of adequacy (POA). Risk capital at 99% POA is held in the NOHC[3]
6. NOHC is a non operating holding company regulated by APRA under the Life Insurance Act.
7. Includes a reallocation between segments for the Wealth Project.

Impact of ESP Shares

Impact of Employee Share Plan (ESP) shares

ClearView

Per share calculations

Half year ended 31 December 2021	HY22
Number of shares on issue (m)	631.8
ESP shares on issue (m)	37.5
Shares on issue to calculate NAV per share (A)	669.3
Net assets ($m)	472.4
ESP loans ($m)	23.9
Proforma net assets ($m) (B)	496.2
Fully diluted NAV per share = (B)/(A)	74.1 cents
Underlying NPAT ($m)	12.7
Fully diluted underlying NPAT per share	2.00 cents
Reported NPAT ($m)	18.2
Reported diluted NPAT per Share	2.87 cents

- 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”
- 37.5m ESP shares on issue and $23.9m loans receivable at 31 December 2021;
- Loans valued based on issue price given shares will either be forfeited (and removed from the number of shares on issue) or bought back at issue price, to the extent they are ‘out of the money’
- Given the share price at 31 December 2021, certain of the current ESP shares issued are considered to be ‘out of the money’. Should ESP shares be forfeited, there would be a reduction in number of ESP shares on issue, in addition to an equivalent reduction in the ESP loans that have otherwise been included and added back to net assets based on the issue price of the ESP share (ESP loan value). The effect would be a fully diluted net asset value per share increase of 0.6 cents to 74.7 cents per share.

Notes

1. Weighted average number of shares used for the purpose of calculating fully diluted underlying NPAT per share to take account of ESP shares on issue during the period.

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