



Market Release

14 October 2020

ClearView FY2021 Q1 Market Update

Diversified financial services company, ClearView Wealth Limited (ASX: CVW) is today providing a Q1 FY21 performance update, reporting a material improvement in life insurance claims performance and solid growth in in-force premium.

This announcement follows the Group's COVID-19 trading update on 9 April 2020 and FY20 results on 26 August 2020, which included profit guidance for FY21.

A detailed presentation is attached.

A conference call will be held this morning Wednesday, 14 October 2020 at 11:00am (Sydney time) with ClearView's Managing Director Simon Swanson and Chief Financial Officer Athol Chiert.

Should you wish to participate in the conference call, please find below the dial in details.

Participants can dial either of the numbers below to join the call. They will need to quote the ID provided.

To ask a question, participants will need to dial '*1' (star, 1) on their telephone keypad.

Participant toll: +61 2 8038 5221

Participant toll-free: 1800 123 296

Conference ID: 8786639

International dial-in details

These numbers are toll-free dial-in numbers for each country listed below. For countries not listed below, the Australian Participant Toll number listed above can be dialled.

To ask a question, participants will need to dial '*1' (star, 1) on their telephone keypad.

Canada - 1855 5616 766

China - 4001 203 085

Hong Kong - 30082034

India - 1800 2666 836

Japan - 0120 994 669

New Zealand - 0800 452 782

Singapore - 800 616 2288

United Kingdom - 0808 234 0757

United States - 1855 293 1544

A live (passive) URL link to the teleconference is also available at <https://www.openbriefing.com/OB/3997.aspx>.

For further information, please contact:

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Approval of announcement

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

About ClearView

ClearView is an ASX-listed diversified financial services company which partners with financial advisers to help Australians protect and build their wealth, achieve their goals and secure a comfortable financial future. The Group's three business segments: Life Insurance, Wealth Management and Financial Advice are focused on delivering quality products and services.

For more information visit clearview.com.au

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Q1 trading result driven by strong claims performance

- Underlying NPAT¹, the Board's key measure of Group profitability, increased 35%⁴ to \$6.9m⁵ in Q1 FY21 and reflects:
 - Continued growth of in-force life insurance portfolios to \$276.0m⁶ (↑8%);
 - Material improvement in profitability² driven by strong underlying claims performance in life insurance segment (↑\$1.7m claims experience profit⁵);
 - Lapses slightly higher than expected but retention strategies remain in place and taking effect (↓\$0.3m lapse experience loss⁵);
 - Performance measured relative to material changes to claims and lapse assumptions including an allowance for potential COVID-19 impacts;
 - COVID-19 impacts likely to drive a further increase in IP³ claims across the industry from secondary economic impacts of pandemic (and social and health challenges).
- Strong claims performance in Q1 FY21 driven by²:
 - LifeSolutions IP³ portfolio - \$1.1m claims experience profit⁵ - lower claim numbers than expected coupled with an increased focus on claims management and resourcing to improve IP claims outcomes;
 - Non-advice closed portfolios (lump sum) - \$1.1m claims experience profit⁵ – can reflect statistical volatility given size and nature of portfolio;
 - Partially offset by LifeSolutions lump sum claims experience loss (\$0.5m)⁵ primarily from TPD and Trauma claims. Death claims are broadly in line with expected.

Notes

1. Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effect of changing discount rates on insurance policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software.

2. Relative to material changes made to claims and lapses assumptions and compared to FY 20 claims experience losses previously reported based on previous assumptions.

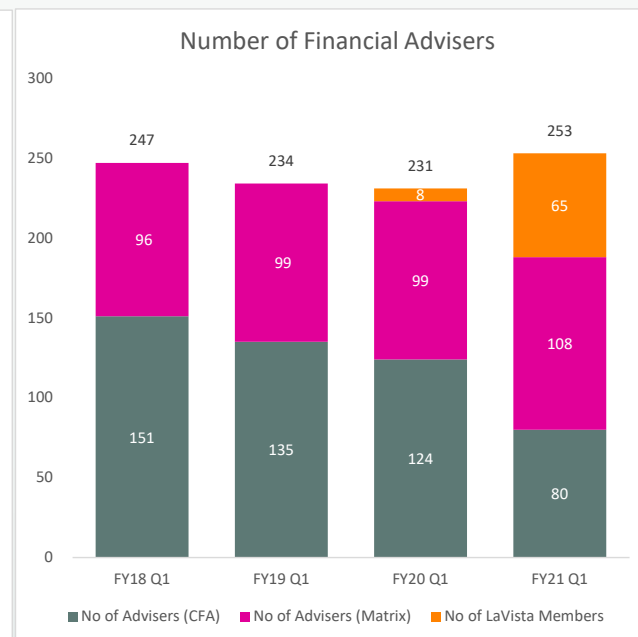
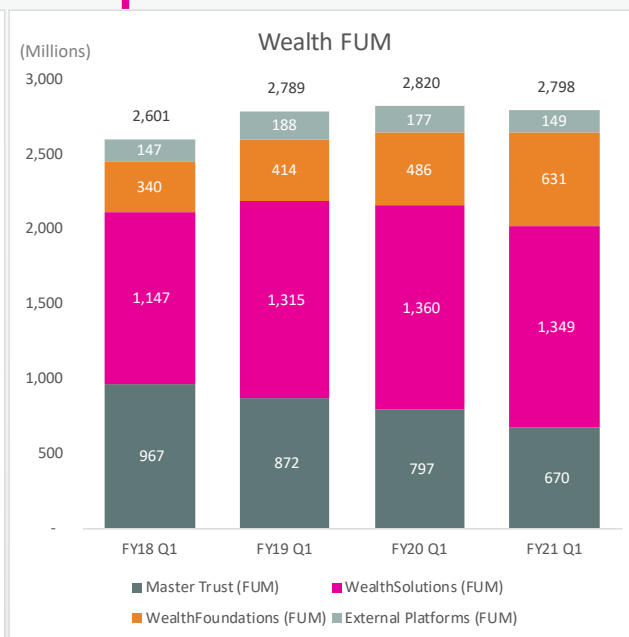
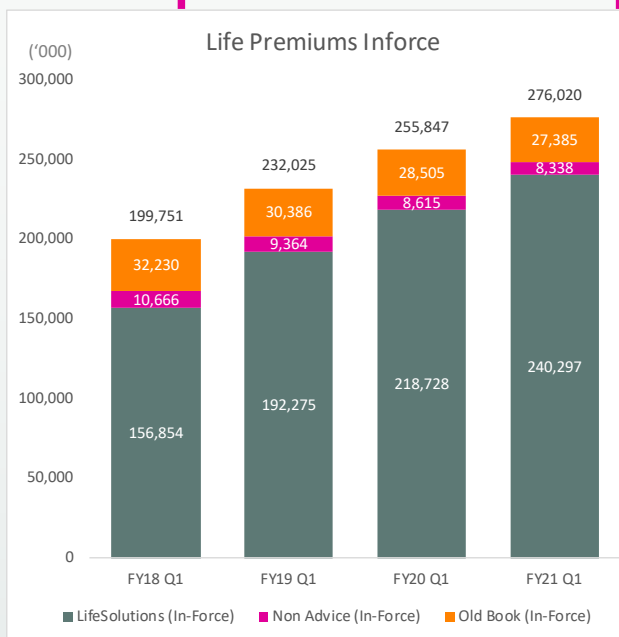
3. IP is individual income protection or Individual Disability Income Insurance.

4. Q1 FY21 vs Q1 FY20 - when comparing between periods there may be some timing differences on a quarterly basis particularly in respect of expenses and related items.

5. Based on unaudited 30 September 2020 management accounts.

6. As at 30 September 2020

Q1 Update: ClearView has performed at or above expectations in the past quarter



Business Unit Profit and Loss ('000)	FY18 Q1	FY19 Q1	FY20 Q1	FY21 Q1
Life Insurance	4,317	6,263	4,904	6,690
Wealth Management	925	860	707	405
Financial Advice	396	(195)	(159)	232
BU Operating Earnings (after tax)	5,638	6,928	5,452	7,327
Listed Entity and Other	(293)	(169)	(214)	(275)
BU Total Operating Earnings (after tax)	5,345	6,760	5,238	7,051
Interest expense on corporate debt (after tax)	(76)	(88)	(142)	(199)
BU Underlying NPAT	5,270	6,672	5,096	6,852

Notes

1. Business Unit Profit and Loss: When comparing between periods there may be some timing differences on a quarterly basis particularly in respect of expenses and related items. Based on 30 September 2020 unaudited management accounts.

Business is on track in Q1 to meet its medium-to-long term performance improvement objectives



- ClearView Q1 result:
 - Reiterates strong foundations for materially improved performance - Group Underlying NPAT¹ guidance of \$20m-\$24m² in FY21;
 - FY21 is a base transitional year as the industry starts to shift to rational pricing and sustainable product features which will underpin improvements in underlying profit margins and return on capital;
 - ClearView's current actions to build customer loyalty, simplify and improve products, and invest in technology are focused on ensuring ClearView is easy for advisers and customers to do business with;
 - This strategy is expected to underpin medium-to-long term performance improvement objectives.
- ClearView remains focused on maintaining its strong Balance Sheet and recurring revenue base:
 - Net shareholder cash position of \$281m³ - shareholder capital conservatively invested;
 - ClearView continues to examine the opportunity to issue a Tier 2 regulatory capital instrument and an outcome is expected to be announced before the AGM;
 - Proceeds from proposed issue intended to be used to repay certain existing indebtedness and to fund or support the funding of Tier 2 Capital of ClearView Life.

Notes

1. Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effect of changing discount rates on insurance policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software.
2. Key potential impacts that are critical to achievement of guidance is repricing and secondary economic impacts of COVID-19, in particular flow on effects to IP claims and affordability of premiums. While estimates and allowances have been made in the updated claims and lapse assumptions used, given fluidity of COVID-19 pandemic and operating environment, potential impacts from any further deterioration in economic conditions or unanticipated delays in development of a vaccine, actual experience relative to the revised assumptions adopted will need to be closely monitored.
3. As at 30 September 2020 includes receipt of \$74m from Swiss Re under the terms of the incurred claims treaty