

IOOF Holdings Ltd  
ABN 49 100 103 722  
Level 6, 161 Collins Street  
Melbourne VIC 3000

GPO Box 264  
Melbourne VIC 3001  
Phone 13 13 69  
[www.ioof.com.au](http://www.ioof.com.au)



1 December 2020

## **IOOF Virtual Investor Briefing 2020 – Access and presentation materials**

IOOF Holdings Ltd (IOOF) is hosting a virtual investor briefing today, 1 December 2020.

The IOOF Virtual Investor Briefing will start at 9:30am AEDT and conclude at 1pm AEDT. The briefing consists of three one hour sessions with three 15 minute breaks between each. The agenda and materials for each session of the briefing are attached.

To access the briefing, please click on or copy the below link to your preferred browser:  
<https://kvgo.com/ioof-holdings-limited/ir-event-2020>.

It is recommended to join 15 minutes in advance to enable timely registration.

Questions can be asked by submitting them via the online platform or emailing them directly to [rachel.scully@ioof.com.au](mailto:rachel.scully@ioof.com.au) during the briefing.

- ENDS -

This announcement was approved for release by the CEO of IOOF Holdings Ltd.

### **Enquiries:**

Rachel Scully  
Head of Investor Relations  
IOOF Holdings Ltd  
P: +61 3 8614 4530  
M: +61 438 601 942

E: [rachel.scully@ioof.com.au](mailto:rachel.scully@ioof.com.au)

### **Media enquiries:**

Louise Watson  
Managing Director  
Symbol Strategic Communications  
P: +61 2 8011 0591  
M: +61 419 185 674

E: [lwatson@symbolstrategic.com.au](mailto:lwatson@symbolstrategic.com.au)

## IOOF Virtual Investor Briefing 2020 – Agenda

Time	Session	Presenter
<b>Advice 2.0</b>		
9:30-9:40	<b>Introduction</b>	<b>Renato Mota</b> Chief Executive Officer
9:40-10:10	<b>Advice 2.0 overview</b>	<b>Darren Whereat</b> Chief Advice Officer
10:10-10:30	<b>Advice 2.0 Q&amp;A</b> Questions to be submitted via email to <a href="mailto:rachel.scully@ioof.com.au">rachel.scully@ioof.com.au</a>	
<b>10:30-10:45</b>	<b>BREAK</b>	
<b>Evolve</b>		
10:45-10:55	<b>Evolve 21 introduction</b>	<b>Mark Oliver</b> Chief Distribution Officer
10:55-11:05	<b>Evolve showcase</b>	<b>Cable Rickard</b> General Manager Product
11:05-11:15	<b>Evolve technology</b>	<b>Sharam Hekmat</b> Chief Information Officer
11:15-11:25	<b>ClientFirst - delivering what matters</b>	<b>Frank Lombardo</b> Chief Operating Officer
11:25-11:45	<b>Evolve Q&amp;A</b> Questions to be submitted via email to <a href="mailto:rachel.scully@ioof.com.au">rachel.scully@ioof.com.au</a>	
<b>11:45-12:00</b>	<b>BREAK</b>	
<b>Transformation</b>		
12:00-12:30	<b>Transformation at IOOF</b>	<b>Chris Weldon</b> Chief Transformation Officer
12:30-12:40	<b>Cultural integration and transformation</b>	<b>Mel Walls</b> Chief People Officer
12:40-1:00	<b>Q&amp;A – All presenters</b> Questions to be submitted via email to <a href="mailto:rachel.scully@ioof.com.au">rachel.scully@ioof.com.au</a>	
<b>1:00</b>	<b>CLOSE</b>	

## About IOOF Holdings Ltd

IOOF has been helping Australians secure their financial future since 1846. During that time, we have grown substantially to become one of the largest groups in the financial services industry.

IOOF provides advisers and their clients with the following services:

- **Financial Advice** services via our extensive network of financial advisers;
- **Portfolio & Estate Administration** for advisers, their clients and hundreds of employers in Australia; and
- **Investment Management** products that are designed to suit any investor's needs.

Further information about IOOF can be found at [www.ioof.com.au](http://www.ioof.com.au)





# IOOF Virtual Investor Briefing 2020

Renato Mota, Chief Executive Officer

# Clarity of purpose and advice-led strategy

**Purpose** | understand me, look after me, secure my future

## Continuing industry trends

Increasing per  
Capita wealth

Aging population  
with complex needs

Structural industry  
disruption

**Strategy** | Delivering advice-led wealth management



# Clarity of purpose and advice-led strategy

**Purpose** | understand me, look after me, secure my future

## Continuing industry trends

Increasing per  
Capita wealth

Aging population  
with complex needs

Structural industry  
disruption

**Strategy** | Delivering advice-led wealth management

Phase

Stabilise

Transform

Prosper

Capabilities

- › Purpose driven culture
- › Uplift governance capabilities
- › Resetting capabilities and strategy

**IOOF | P&I | MLC**

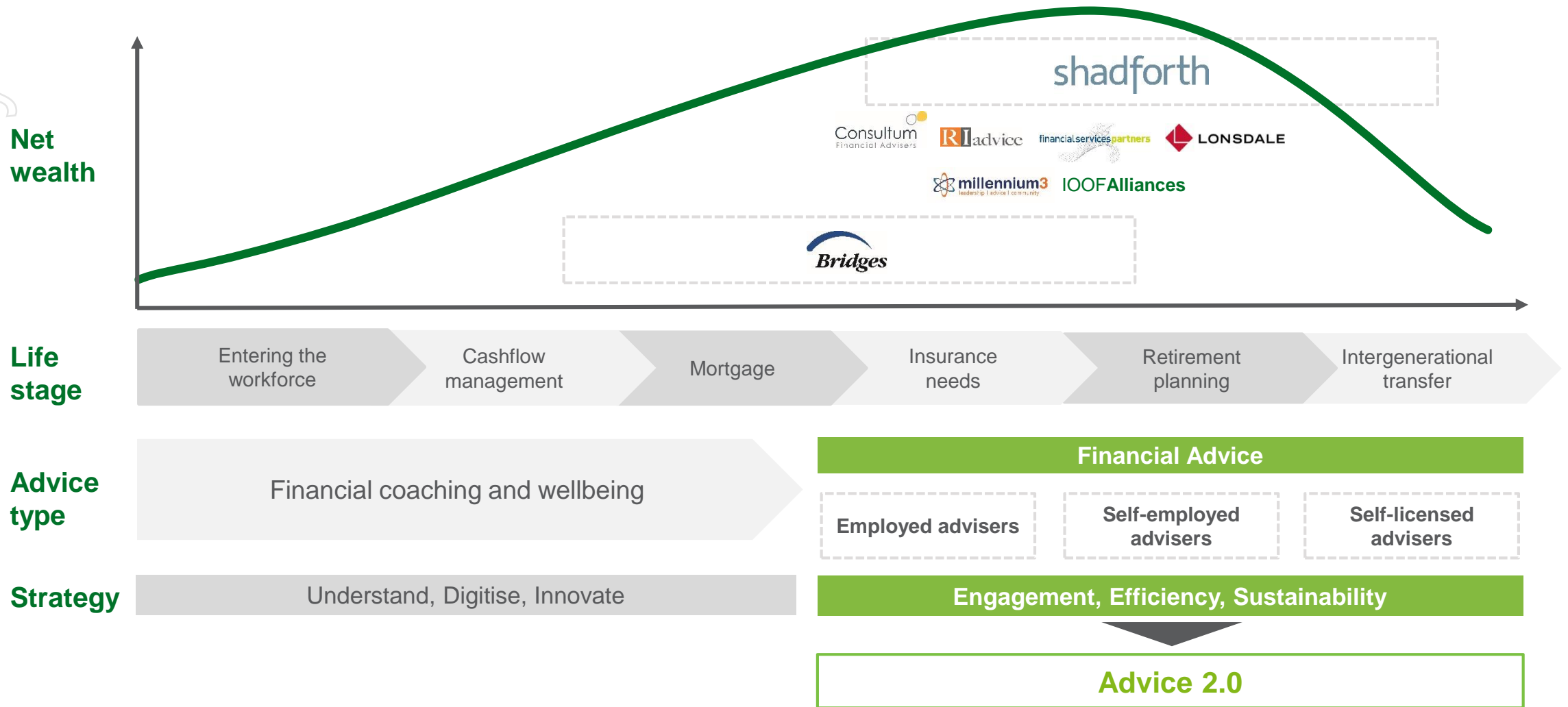
- › Advice 2.0 – **FOCUS**
- › Evolve21 – **SIMPLIFY**
- › Transformation through integration – **GROW**

- › Scalable, efficient model
- › Best in class organisational capabilities
- › Advice advocacy and trusted reputation

Governance

**Culture and Conduct**

# Financial wellbeing needs through time



# Understanding the value of advice

## Value of advice

95%

... agreed that receiving advice has given them greater peace of mind financially

84%

... agree that the financial advice they have received provides more value than it costs

73%

... say they save more money as a result of receiving advice

94%

... have an understanding of the annual fees they pay for the advice based on several advice documents they receive

## Advice dividend

0% 5% 10% 15% 20% 25% 30% 35%

... worry less about money and less likely to lose sleep over financial security

20%

15%

Under /over 50

... took a longer-term view to how their money was invested

26%

33%

Under /over 50

... believe they will be able to afford where they want to live in retirement

24%

25%

Mass market affluent

Under 50 Over 50

Source: IOOF Survey 2020 – *The True Value of Advice - A study of 12,643 Australians*



# Transformational strategic focus

Stabilise

Transform

Prosper

## Advice 2.0

Deliver more accessible and cost effective financial advice  
Make the financial advice segment economically viable on a standalone basis



**FOCUS**

## EVOLVE 21

Single leading proprietary platform offer across client cohorts  
Service excellence



**SIMPLIFY**

## Transformation through integration

Deliver lowest cost to serve  
Develop trust through outcomes and service excellence



**GROW**



## Advice 2.0

Darren Whereat, Chief Advice Officer



# Advice 2.0

Advice 2.0 consists of three core pillars

## Client engagement

Goals-based advice that is accessible, affordable and engaging to Australians supported by clear and relevant client value propositions.

## Adviser efficiency

Market-leading, next generation best-practice advice models that streamlines advice generation, servicing and governance – making advisers more efficient while uplifting advice quality.

## AFSL sustainability

AFSLs that offer compelling discrete value propositions across each channel providing advisers with choice reflecting value and risk and that are profitable without the need for cross-subsidisation.

# Advice 2.0 | Reshaping Advice

– improving the quality and affordability of advice

Stabilise

Transform

We have laid the foundations over the last 18 months

We've brought  
our people and  
teams together

We've built a  
strong network  
of training and  
support

We've streamlined  
and simplified our  
processes

We've developed  
leading client  
engagement  
solutions enabled  
by technology

# Advice 2.0 | Transformation

Advice 2.0 consists of three core pillars

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# Advice 2.0 | Reshaping Advice

– transform improving the quality and affordability of advice

Stabilise

Transform

From 1 September 2020

Announcement  
of new operating  
structure

Reorganisation  
of self-employed  
aligned advisers

Conversion of  
Bridges to fully  
owned and  
operated network

Closure of  
Financial Service  
Providers (FSP)

# Advice 2.0 | AFSL sustainability

Previously

HNW

shadforth

 Bridges

 LONSDALE

 millennium3  
leadership | advice | community

Aligned

 Consultum  
Financial Advisers

 RI advice

 financialservicespartners

From 1 September 2020

IOOF owned & operated

HNW

shadforth

Mass market

 Bridges

Self-employed

Specialised  
model

 LONSDALE

Alliances

 millennium3  
leadership | advice | community

Holistic  
advice

 RI advice

 Consultum  
Financial Advisers

Licensee  
closure

 financialservicespartners

- › Bridges network to be transformed to IOOF owned and operated network
- › Reduction in the number of business structures from 5 to 2
- › Multi-brand approach remains
- › Single client service model, professional standards, scorecard and audit process
- › Closure of Financial Service Partners
- › Support for the transition of advice practices into their choice of one of IOOF's licensees

# Advice 2.0 | Reshaping Advice

– transform improving the quality and affordability of advice

Stabilise

Transform

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Announcement  
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Reorganisation  
of self-employed  
aligned advisers

Integrated Digital  
Ecosystems and  
Wealth Central

Market Leading  
Advice Models  
– IOOF Advice  
Playbook

# Advice 2.0 | Transformation

Advice 2.0 consists of three core pillars

## Client engagement

Goals-based advice that is accessible, affordable and engaging to Australians supported by clear and relevant client value propositions.

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AFSLs that offer compelling discrete value propositions across each channel providing advisers with choice reflecting value and risk and that are profitable without the need for cross-subsidisation.

# Market Leading Advice Models – the IOOF Advice Playbook

Where an enhanced client experience can be delivered efficiently.

Making advice more engaging, accessible and affordable to more Australians.

## IOOF ADVICE PLAYBOOK

Delivering an enhanced client experience...

Goals-based



Accessible



Affordable



Engaging



Valued

...built on an efficient and sustainable best practice advice model...

Removal of pain  
points and  
inefficiencies



Reduced errors



Guardrails to  
manage risk



Enables future  
models and CVPs



Model investment  
methodologies

...underpinned by an integrated digital eco-system.

Iress XPLAN  
Wealth Central  
IOOF Platform



Tech solutions  
connected by data



Cyber and data  
protocols



Compliance  
built-in



Straight through  
processing



# Client Engagement

IOOF's integrated digital ecosystem (which includes the recently acquired Wealth Central) dramatically changes how clients and advisers interact to ensure goals-based advice is delivered meaningfully.

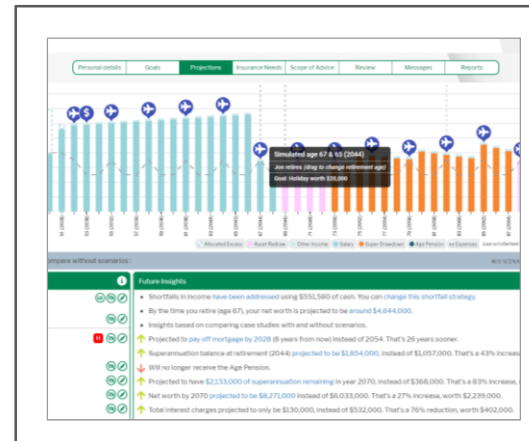
It will provide a unique differentiator and advantage for our adviser network.



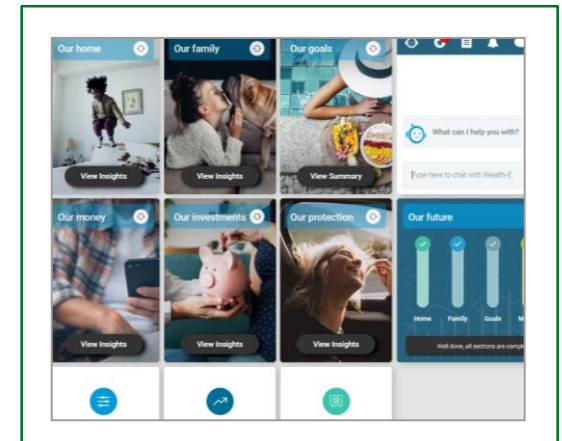
## Prospecting and Engagement



## Discovery and Advice



## Ongoing Service and Review



### For Clients

Enhances their experience and increases engagement

# Adviser Efficiency

IOOF's integrated digital ecosystem (which includes the recently acquired Wealth Central) dramatically changes how clients and advisers interact to ensure goals-based advice is delivered meaningfully.

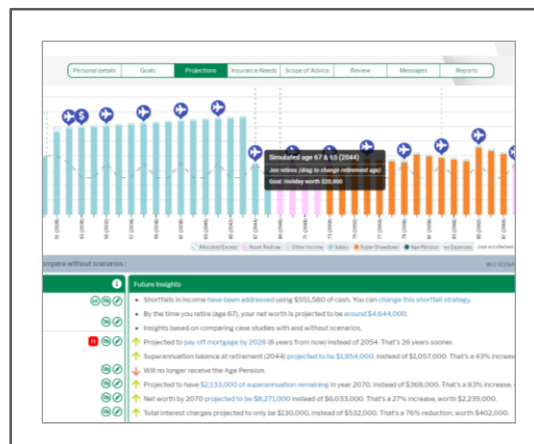
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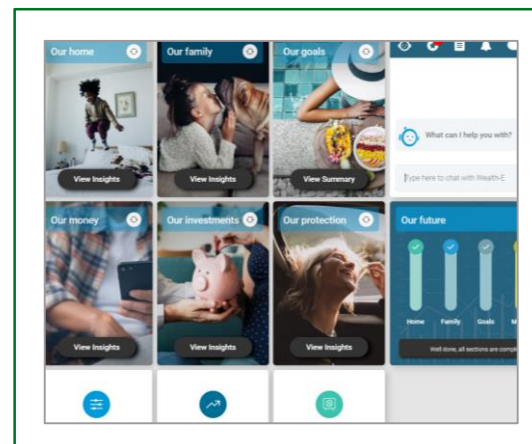
## Prospecting and Engagement



## Discovery and Advice



## Ongoing Service and Review



### For Advisers

Creates efficiency, integrates compliance and builds in guardrails to mitigate risks

# Real efficiency gains – tip of the iceberg

## Typical industry process (Less client friendly, less engaging and inefficient)



**Client invited** to meet with adviser for review



**Manually update data** into XPLAN



**Produce SoA\*** which may require paraplanning support if cash projections required



**Adviser meets with client** to talk through recommendations



**Soft copy of SoA** and supporting document emailed to client



**Manually update data** into XPLAN

## Evolved process (More client friendly, engaging and efficient)



**Client reviews existing data** and goals they have set in secure dashboard and can update only where applicable



**Adviser can easily see client changes** and begin advice preparation



**Goals based projections engine automatically updated** – SoA produced where required



**Adviser meets with client** to talk through recommendations (visual & interactive)



**Client can access documents** via secure vault



**XPLAN updated automatically**

The evolved process engages the client, links to their goals and uses their time meaningfully.

Adviser saves 1.5 hours per review.

SFG alone conduct approximately 10,000 reviews p.a (approx. 2,000 business days in savings)

# Transforming the advice process

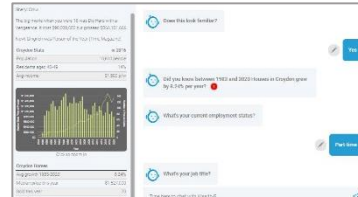
## Prospecting

*No personalised solution*



## Pre-discovery

*Confirm appointment, what to bring (eg statement)*



## Discovery

*Complete paper-based fact find, risk profile, LOE, authorised to contact product providers*



## Analysis and Advice Preparation

*Research, analysis, create SoA, prepare application forms if relevant*



## Advice presentation

*Present SoA, ATP, relevant signatures*



## Service

*Email/Post offer for review Snapshot report, RoA*



# IOOF to service Advisers under their preferred lifecycle option

## Advice Ecosystem (Advice – Platform as a Service)

Governance assurance	Data analytics	FASEA support	<b>Advice Academy</b>	Technical services	Research
Processes and controls	<b>Client engagement technologies</b>	Succession / Transition	Business benchmarking	Community engagement programmes	Referrals

Advice Specialists

Corporatisation

Partnership

Planner lifecycle

### Professional services (Owned and Operated)

- Branded advice experience
- Emphasis on client coaching
  - EBIT margin 30%+

- › Growth through acquisitions.
- › Develop and industrialise the IOOF Advice experience.
- › Ability to create an industrialised back office with deep technology enablement.

### Self-employed (IOOF AFSL)

- IOOF Advice Playbook
- Leasing of Advice infrastructure and AFSL
- Improved economic and risk profile

- › A shift in dynamic away from product aligned to advice philosophy alignment.
- › Repriced to remove cross subsidisation and to recognise the 'risk premium' as the AFSL owner

### Self-licensed (3<sup>rd</sup> party AFSL)

- Leasing of Advice infrastructure
- Low marginal cost, annuitised income

- › B2B offer of advice support services.
- › Allows for connection into advice businesses without the licensee risk.



# A word from our advisers on Wealth Central



The video is available on demand [here](#)

ersonal use only



# Questions

ersonal use only







Source: IOOF Survey 2019 - Evolve - A  
study of 12,641 people

# Delivering Evolve, today

Mark Oliver, Chief Distribution Officer

An enterprise wide programme of work delivering what matters to our clients and creating the go-forward platform for our retail, advisory and workplace products and services.



Super, Pension and Investment

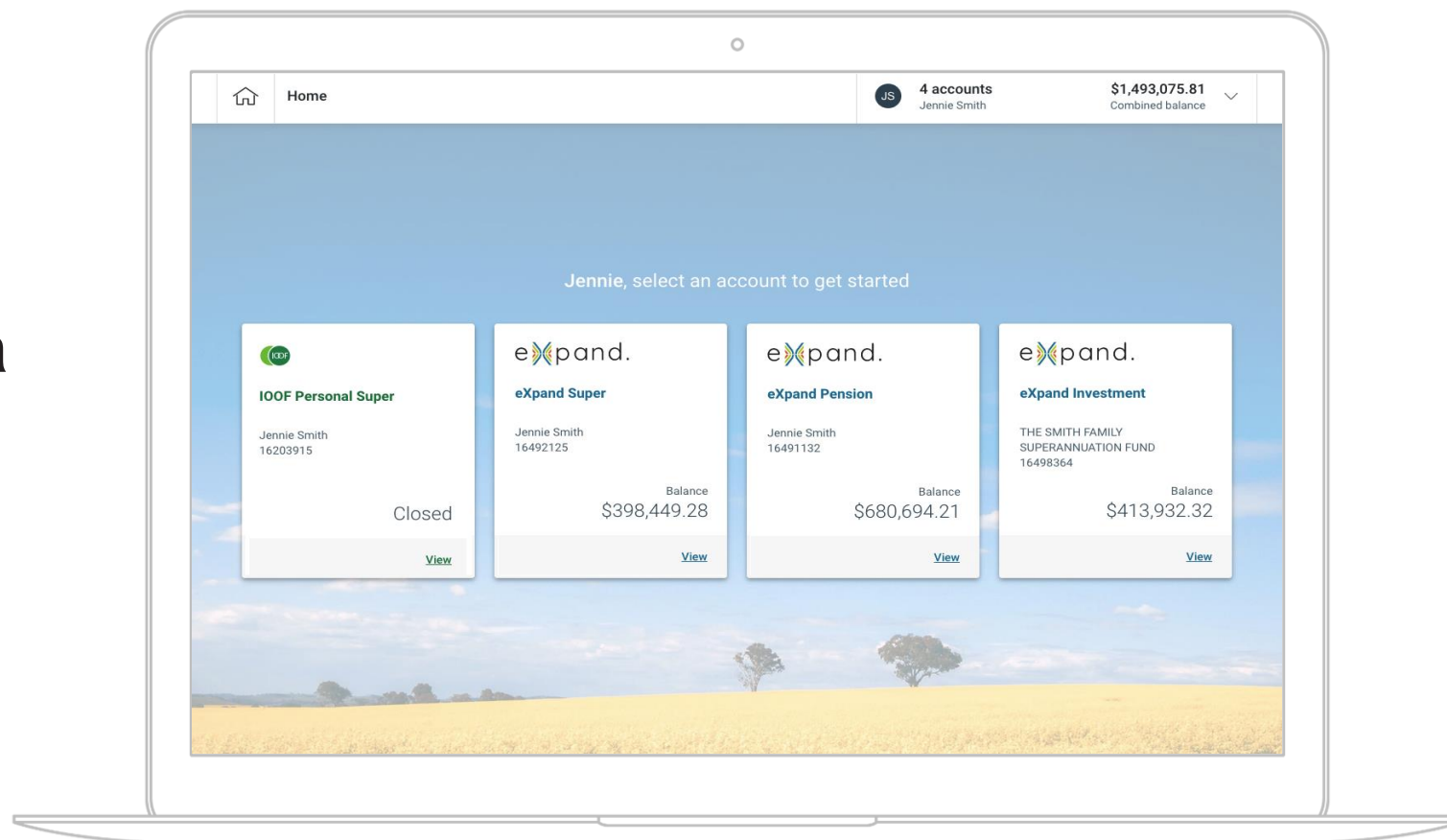


Employer Super – MySuper  
Super, Pension and Investment



Super, Pension and Investment

Providing clients a  
**single view** of all  
their accounts

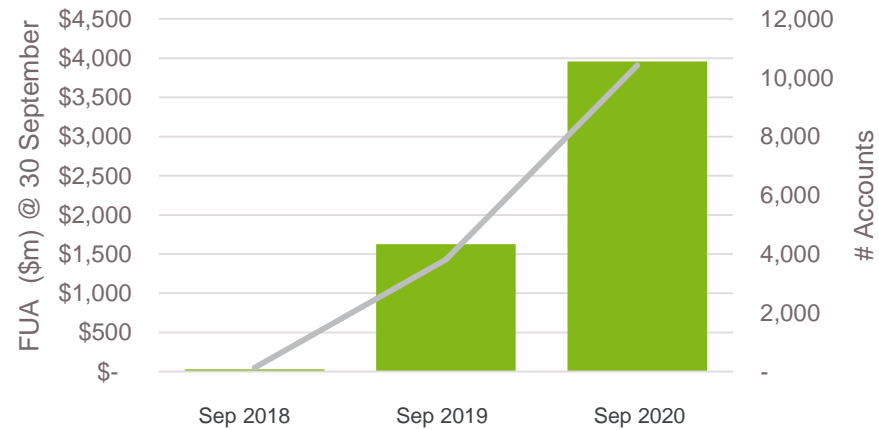




# Evolve is here

1

## Evolve Platform – Advisory Growth since launch



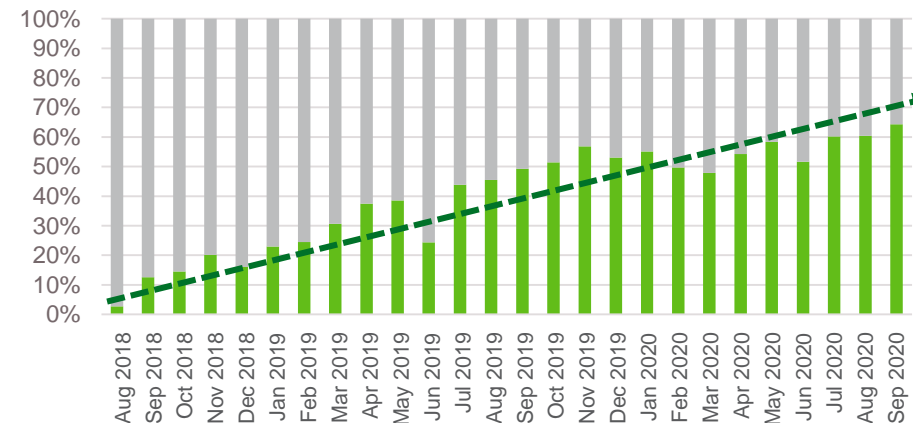
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## Advisory Accounts Opened Evolve vs heritage systems



3

## Proportion of Advisory Accounts Opened Evolve vs heritage system



Evolve

Heritage

# Wealth Insights – Independent platform service research

## Adviser Importance Ranking

	Revealed	Stated
IT/Web	1	7
Value	2	1
Administration Efficiency	3	3
Image and Reputation	4	5
Platform Menu	5	9

- › Annual platform service attributes survey since 1992
- › 2020: 810 advisers surveyed across broad range of AFSLs
- › Qualitative benchmarking across 26 service attributes
- › Highlights key drivers of success for platforms
- › Serves as industry score card
- › Used to identify, compare and validate strengths and opportunities
- › Sophisticated analysis drills into drivers of behaviour





ersonal use only



# Delivering what matters to advisers and clients

Cable Rickard

# The Evolve journey



- New Tax Engine
- New Approved Product List
- Online Beneficiary Nominations
- New Data Warehouse
- Online Forms
- Communications archive and uplift

2015–2016

New Client Site

New Adviser Site



- Online Applications
- New Client Reporting
- New Annual Statements
- Fee Aggregation
- Retail Insurance
- Online re-weight
- New listed Investment trading
- Online SuperMatch

2017–2018

Re-launch IOOF Employer Super

Launch SPS Super & Pension

New Licensee Site



- In specie Uplift
- Online Withdrawals
- Communications Uplift
- Online forms Uplift
- PYS
- Flexible payment options

2019

Launch eXpand and IOOF Essential

Launch IDPS for Individuals

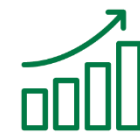


- PMIF
- Managed Accounts
- Corporate Actions
- Client and Adviser Reporting
- Online fee amendments
- Fixed term advice fees
- EPI 4.3 datafeeds

2020

Launch IDPS for SMSFs

Launch IDPS for Trust and Joint



- Remaining IDPS types
- Remaining Corporate Actions
- Managed Accounts enhancements
- Maturing Investments
- Communication and reporting enhancements
- Auto re-weight
- Advice fees opt ins

2021 – coming soon

Evolve 21 Phase 1 product consolidation

Evolve 21 Phase 2 product consolidation





## Demonstration 1: Adviser efficiencies and responding to client needs



Advisers need a **variety of solutions** that can be **adapted to suit** the way they provide advice and the types of clients they serve.



Advisers need the ability to create efficiencies and **deliver value** to their clients.

*Purpose-built functionality creates efficiencies for advisers and is enhancing client outcomes and the service experience they receive.*

## Demonstration 1

The video is available on demand [here](#)



# Managed Accounts – why use them?

## Adviser

- Scalability
- Risk reduction, better compliance
- Professional portfolio management
- Transparency
- Efficiency
  - no ROAs to re-balance / corporate actions
- Remove implementation delays
- More time on value adding activities
  - Strategic advice
  - Client education
  - Finding new clients
- Improved client engagement

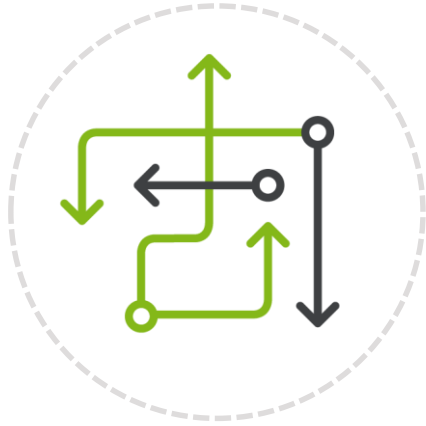


## Managed account benefits

## Client

- Professional and active portfolio management
- Portfolios reviewed automatically
- Timely responses to changing markets (no ROAs)
- Tax effective
- Transparency – look through holdings
- Comprehensive reporting
- Reduced trading costs

## Demonstration 2: Managed Accounts



Increased regulatory and compliance requirements add operational complexity and increased costs to their business.



Advisers need a solution that enables them to **efficiently implement and actively monitor** client portfolios.

*A growing number of advisers are embracing managed accounts to solve this problem.*

## Demonstration 2

The video is available on demand [here](#)

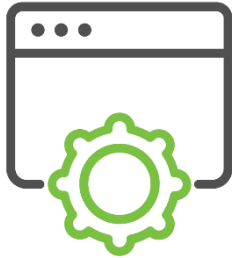


A unique and contemporary eco-system to serve our clients

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Sharam Hekmat

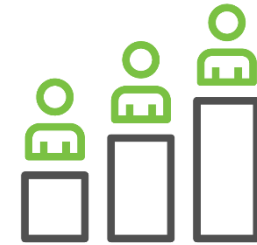
## Evolve Technology | Key benefits



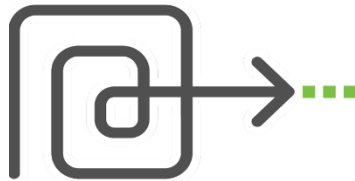
Reduced  
technological complexity



Reduced  
Cost of doing business



Increased  
capacity for growth



Business simplification

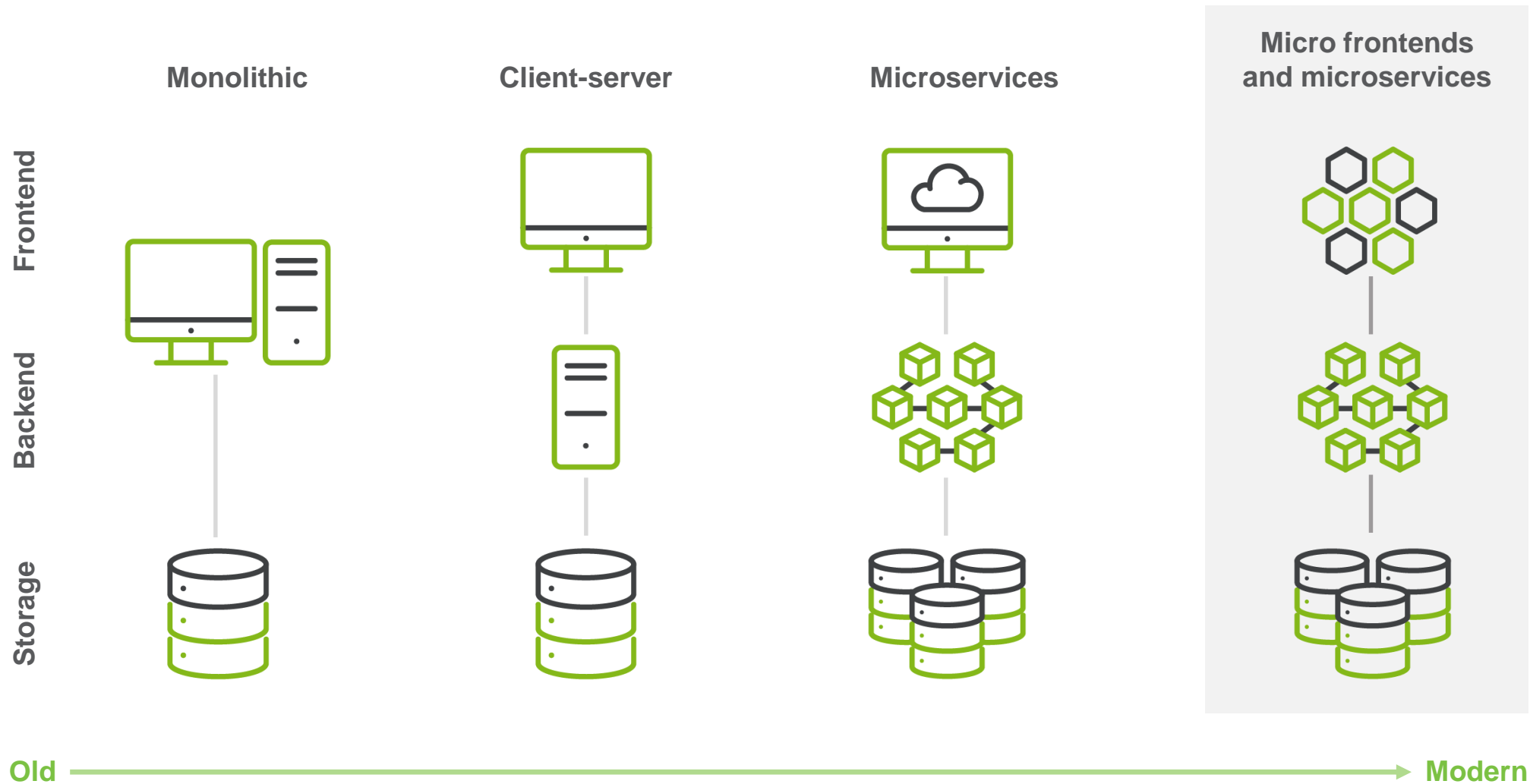


ClientFirst enabler



100% in-house developed  
and owned

# Full Stack | Modern Architecture





# Microservices | Numerous services, working together

Modern architecture. **With valuable benefits.**

- 1 Highly scalable
- 2 Highly fault tolerant
- 3 Simplified design due to decoupled business functionality
- 4 Services can be developed, tested, and deployed separately
- 5 Third-party services can be plugged in
- 6 Lends itself well to agile development



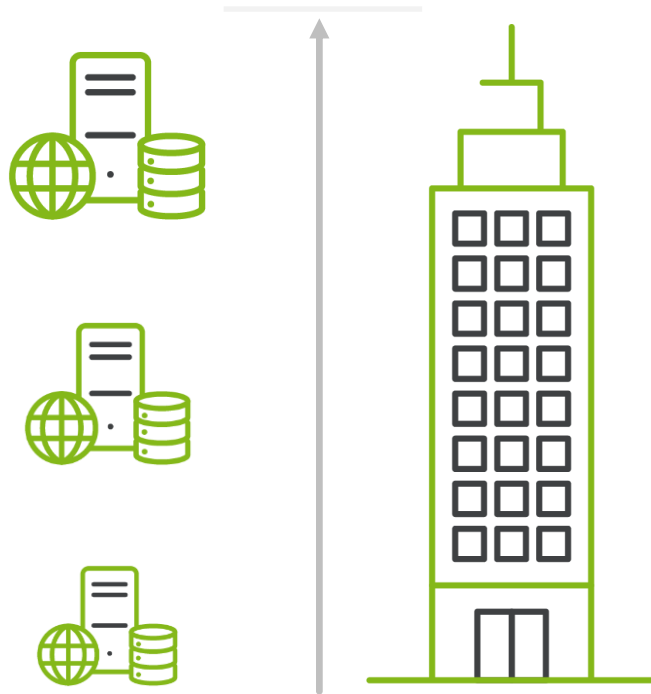
Waterfall  
(old way)



Agile  
(modern way)

# Scalability | Designed to support future growth

Vertical scaling (limited)

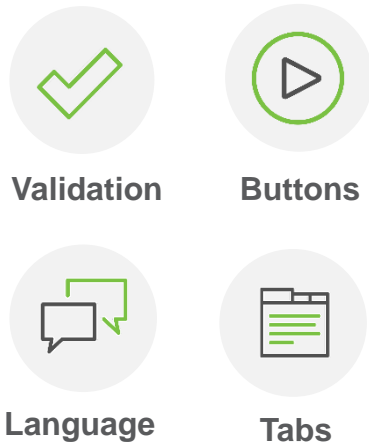


Horizontal scaling (unlimited)



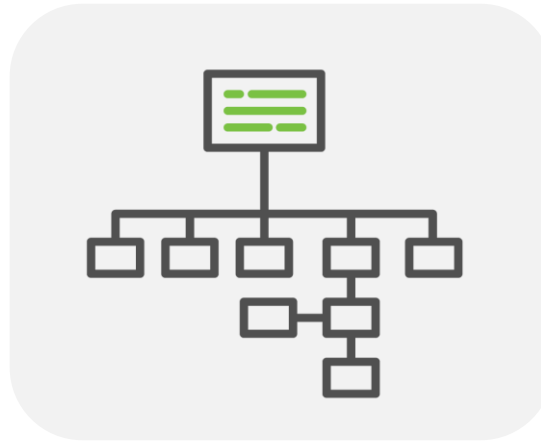
# Consistent UX | Better client experience

## GEL



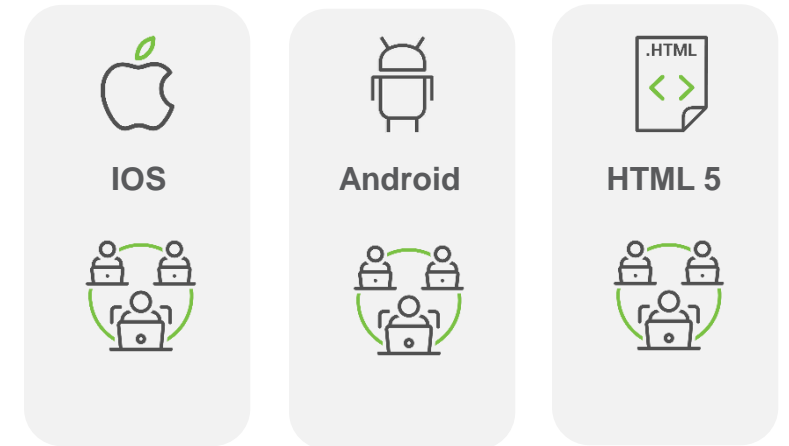
The IOOF Global Experience Language (GEL), is a shared design framework which enables us to create consistent and delightful user experiences across all of our digital services.

## Micro frontends



Deliver similar benefits for the frontend as microservices do for the backend

## What most organisations do



## Evolve approach



## Plug & Play | Examples of best of breed functionality



### 3<sup>rd</sup>-party Model Portfolio Services

Powers the MDA functionality of Evolve.



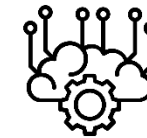
### Customisable 3<sup>rd</sup>-party ChatBot

Delivers self-service abilities to website users.



### Automated demand classification

Partnership with Machine Learning Lab to develop automated demand classification for ClientFirst.



### Machine Learning

Automated signature comparison  
Automated inbound form scanning and recognition

In-house developed machine learning features for ClientFirst.

All integrated into Evolve's microservices architecture.  
And currently live.



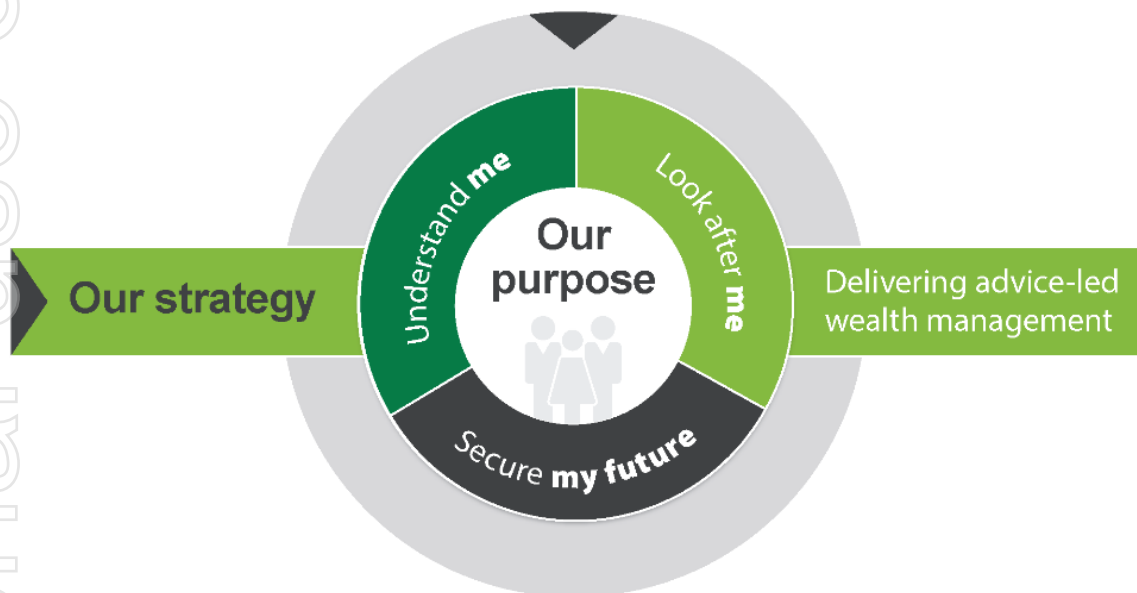
## ClientFirst update

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Frank Lombardo, Chief Operating Officer

# Delivering leading and different client outcomes

We are driven by a simple purpose



## Our ClientFirst Philosophy



We empower our people  
to deliver what matters



We make decisions  
backed by data



We remove waste work and  
processes that don't deliver value



The core role of our managers and  
leaders is to support their teams



# Highly scalable, highly personalised experience for all clients



## Clients

Adviser, Employer, Investor



## Channel

Phone, Electronic, Paper



## Products

MySuper, Choice, Employer



## Demands

New Business, Add Funds,  
Withdraw Funds, Change Details

*This system absorbs variation, protecting client experience*



## Do

- Client Agnostic
- Channel Agnostic
- Location Agnostic



## Learn

- Product Agnostic
- Demand Agnostic
- Single point accountability



## Send

- Absorbs variation
- Client arbiter of performance

# Our Technology Ecosystem is more than a platform

## Strategic priorities

1



Unique ClientFirst operating model

2



Investment in proprietary CRM/workflow

3



Robotic automation, AI, chatbot knowledge management and speech analytics enabling more time to 'talk'

4



Grow financial education and wellbeing

5



ClientFirst Advice Pilots underway in partnership with advice business

6



Growing digital capacity

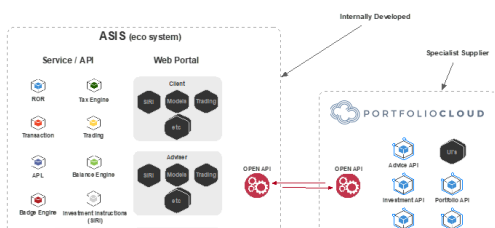
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Integrate mortgage and general insurance solutions

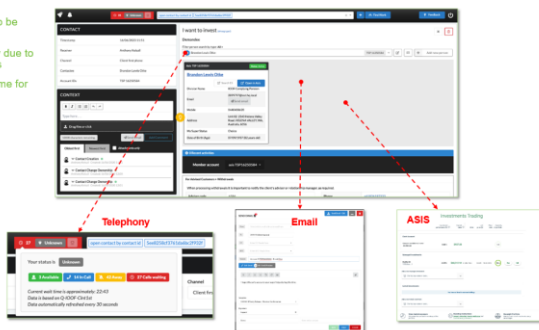
# Our Technology Ecosystem is more than a platform

## Technology | ASIS Integration Capabilities - MDA example 'speed to market'



## Rocket Architecture | Seamless integrations

- Allows complexity to be removed for users
- Increased efficiency due to reduced navigations
- Faster responses time for clients



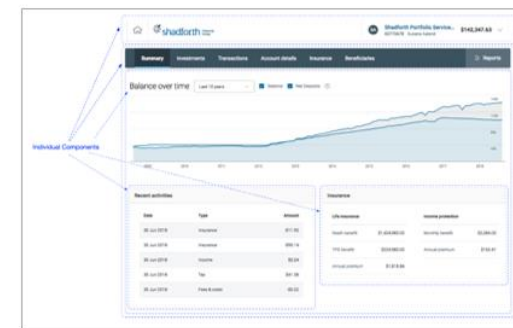
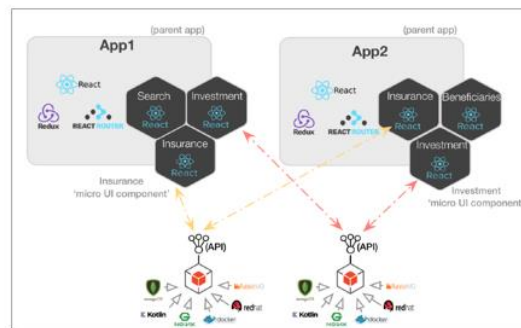
## Technology | Micro frontends & backends

### Micro-services for the frontend

- Small codebases
- Easy to understand
- Fast builds
- Independent deployments
- Frequent releases

### Benefits

- ✓ Team independence
- ✓ Loadable on demand
- ✓ Cached separately
- ✓ Reusable



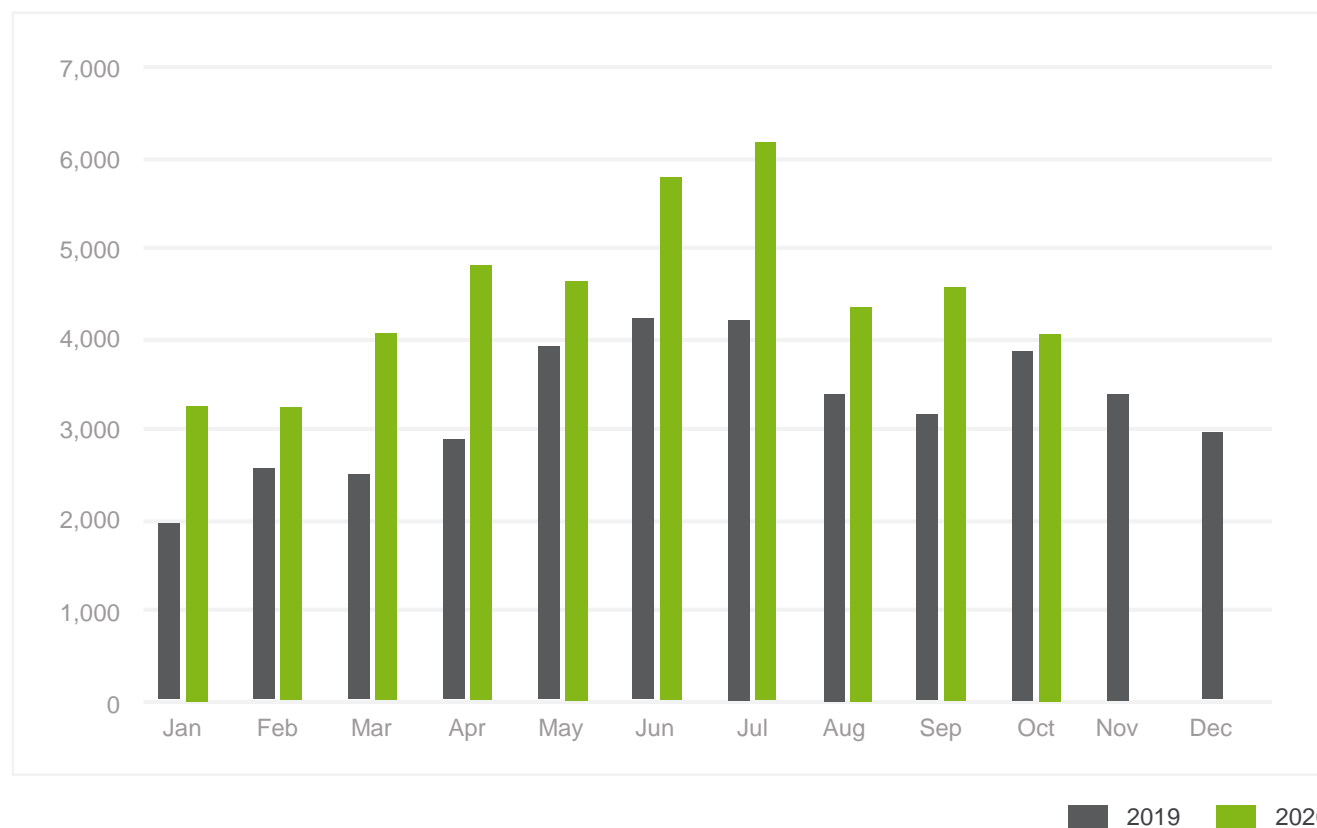
Ready **now** for future flexible work

Front ends “legacy” platform administration systems to enable Clientfirst transformation

# 2020: We delivered super client experience despite the most challenging external environment in 100 years

37% volume demand higher than 2019

Total demands received 2019 vs 2020



>65%



of all demands completed  
in one business day

7-8mins



average call time

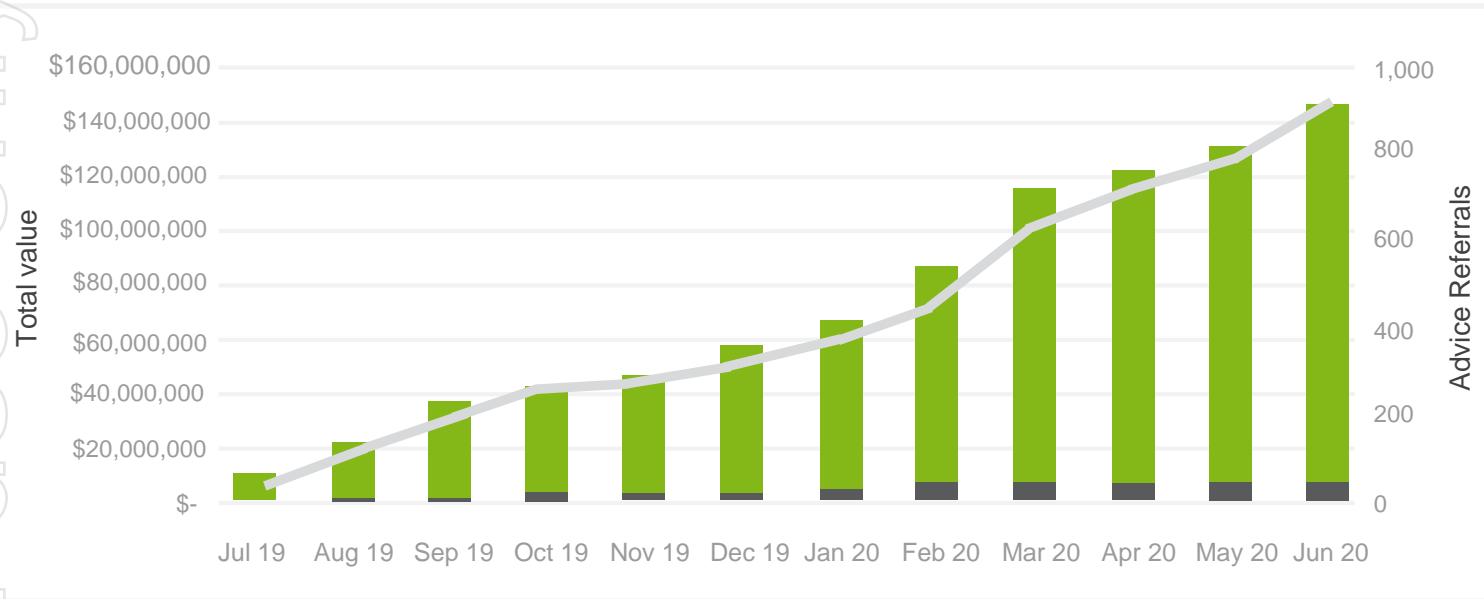
2-3mins



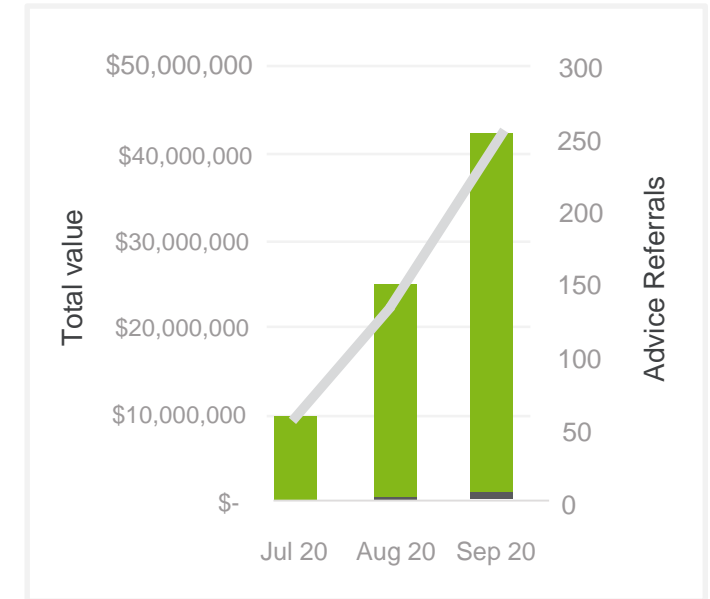
average wait time

# Capacity created deployed for new scaled and digital advice service

Cumulative advice referrals and conversions  
FYTD (2019/2020)



Cumulative advice referrals and conversions  
FYTD (2020/2021)



- › Integration of ANZ P&I, MLC and IOOF comes with opportunity to look after 1 million non-advised members in a different way.
- › Our financial wellbeing and engagement has been established to look after non-advised members, including digital and human support, leveraging data from new technology capabilities to proactively engage members.
- › Capability currently offered at no additional cost to members



# Excellent Member and Adviser Net Promoter Scores

“Based on your recent interaction, how likely are you to **recommend IOOF to a Friend or Colleague?**”

**46%**  
**Member**

“Based on your most recent interaction with IOOF, how likely are you to **recommend IOOF as a platform of choice to your clients?**”

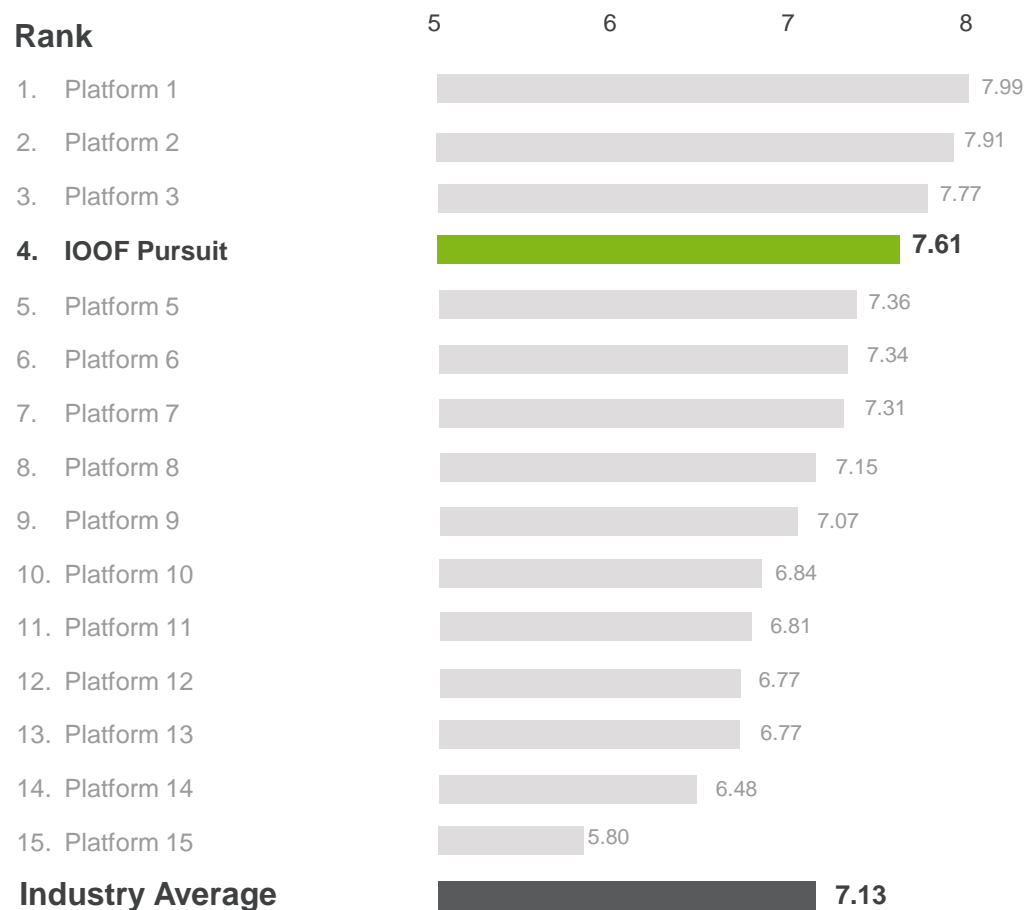
**59%**  
**Adviser**

## Bain & Co Net Promoter Score Classifications

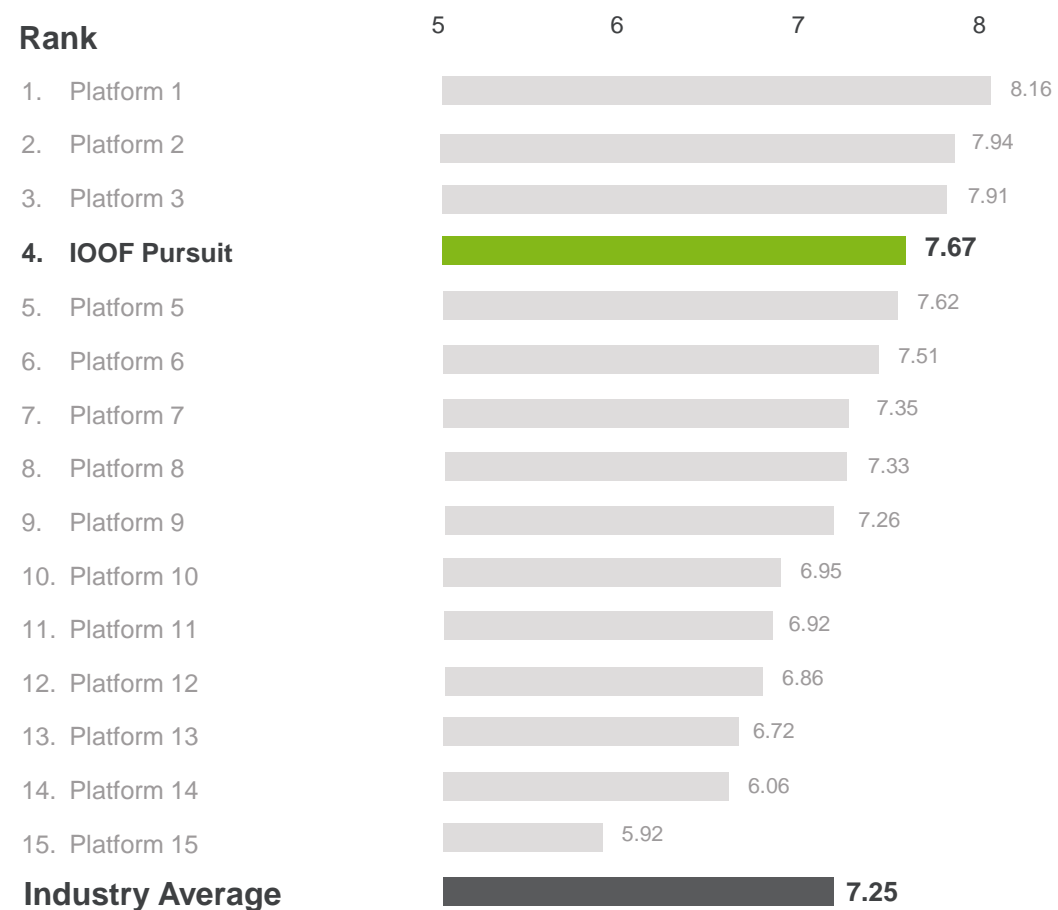
- > 0 = Good
- > 20 = Favourable
- > 50 = Excellent
- > 80 = World Class

# Top 4 in Wealth Insights Results 2020

## Administrative support



## Ease of doing business



“

I just wanted to send you a quick email to let you know how incredibly helpful James has been with my clients, not only recently but consistently over the time I've been dealing with him.

**Adviser One**



Jenny has been extremely helpful and continued to monitor the receipt of the rollover form for my client. I am greatly appreciative of the service.

**Adviser Two**



”

“

I just want to thank you so much for turning what was one of the most difficult times of my life around and giving me so much relief and peace of mind.

**Client One**



Many thanks for helping track down our funds and deposit them in our bank ... I have voted you number one call centre staffer for 2020. I am sure your boss will take note and mark you as executive material.

**Client Two**

”



# Questions

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## Transformation Update

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Chris Weldon, Chief Transformation Officer

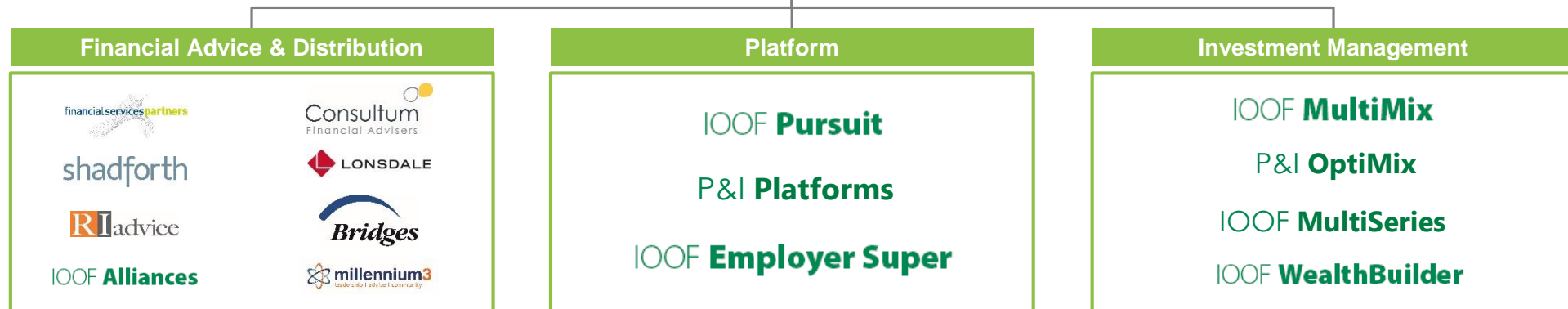


# MLC is highly complementary to IOOF's existing business

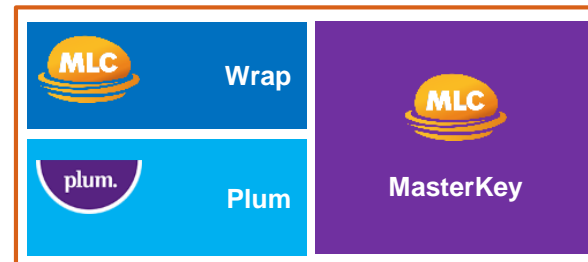
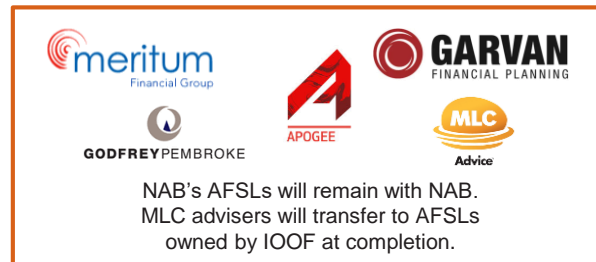
Delivery of superior, long-term outcomes for clients, members, advisers and shareholders

Highly **complementary business** will enhance IOOF's advice-led strategy and business segmentation

**Captures revenue across the value chain** including advice, portfolio administration and multi-asset management

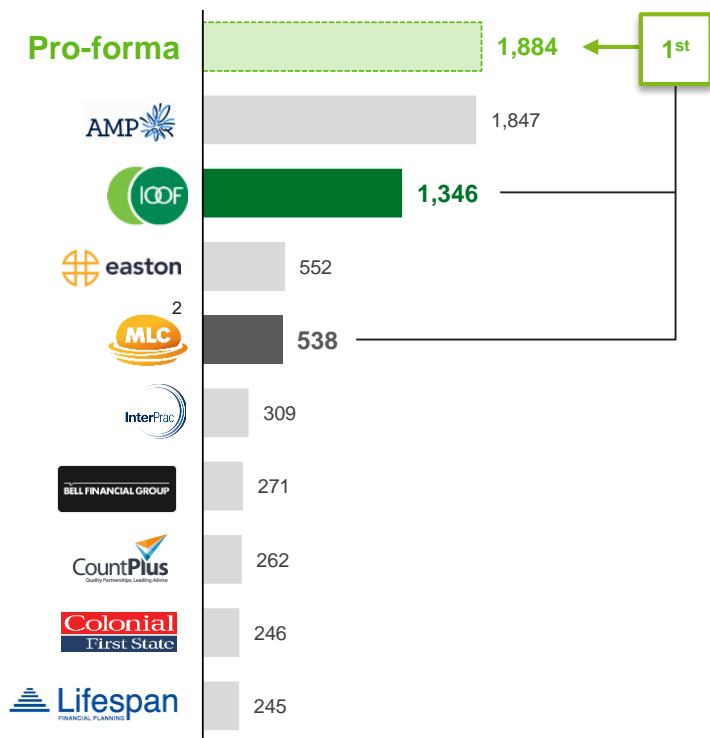


MLC

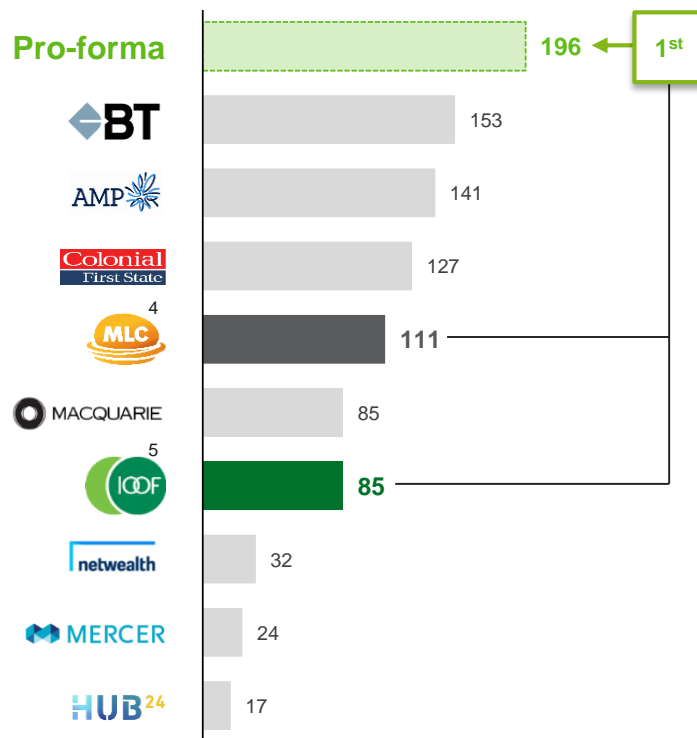


# Australia's leading advice-led wealth manager through scale

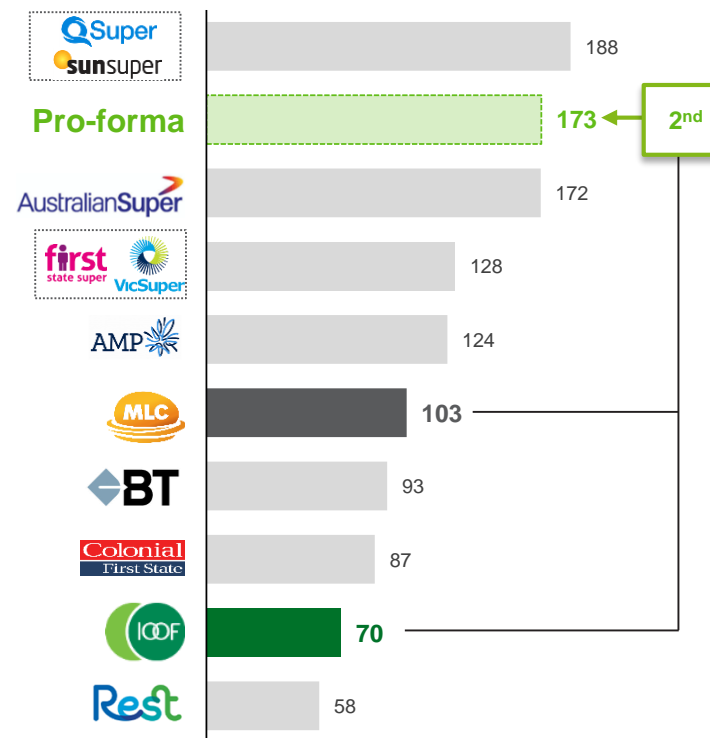
## Financial advisers<sup>1</sup> (No.)



## Platform (FUAdmin, \$ billion)<sup>3</sup>



## Superannuation (FUAdmin, \$ billion)<sup>6</sup>



**Source:** ASIC Financial Adviser data set (as at 3 October 2017), Plan for Life Analysis of Wrap, Platform and Master Trust Managed Funds data as at June 2017 (FUAdmin), Money Management Top 100 Financial planning group survey 2017 (FUAdvice).

**1.** Commonwealth Financial Planning, Count Financial and First State Super data reflects 2016 values as 2017 information was not provided. **2.** For IOOF, FUAdvice and FUAdmin numbers have been sourced from the FUMAS update for period ended 30 June 2017. **3.** Financial adviser numbers sourced from ASIC (as at 3 October 2017). Shows ranking of total current adviser licenses controlled by ASX listed companies only, does not include SMSF Adviser Network / National Tax Accountants (804 advisers), Synchronised Group (436 advisers) and Dover Financial Advisers (392 advisers). Includes advisers under broking and Private Wealth divisions for each company. **4.** ANZ's ADGs adviser numbers sourced from ASIC Financial Adviser data set (as at 3 October 2017). ANZ FP adviser number excludes Private Bank and other personnel licensed under ANZ. **5.** ANZ Wealth Management FUAdmin sourced from company information (as provided by ANZ) as at 31 March 2017. Value excludes A\$2.6bn of "Other P&I" products which IOOF will not acquire as part of this transaction and includes A\$8.1bn associated with Wrap products which are administered by Macquarie. FUAdmin value excludes Perimeter Adjustments. **Notes:** (1) Financial adviser numbers sourced from ASIC financial adviser register (as at 20 August 2020). Shows ranking of total current adviser licenses by controlling entity, does not include SMSF Advisers Network / National Tax Accountants (852 advisers). Assumes all current MLC financial advisers transition to IOOF. (2) MLC adviser numbers sourced from NAB as at 30 June 2020. Based on active MLC advisers only. (3) Platform Funds under Administration sourced from Plan for Life Platform Funds Monthly Market Report for Total Wraps, Platforms and Master Trusts, as at May 2020. (4) For MLC, Funds under Administration sourced from NAB as at 30 June 2020. (5) For IOOF, Funds under Administration based on reported FUMA as at 30 June 2020. (6) Based on APRA annual fund-level superannuation statistics June 2019 (issued 10 December 2019). QSuper / Sunsuper funds shown on a combined basis given Memorandum of Understanding signed 4 March 2020 (per QSuper announcement). First State Super/VicSuper shown on a combined basis to reflect merger completed on 1 July 2020.

## Aspects of MLC acquisition have reduced complexity

MLC	Impact
Wealth and life business interdependencies	Limited
Wealth and bank interdependencies	Advanced planning for demerger
Product offerings	Ongoing simplification program
Advice businesses	Advice entities not acquired
Knowledge and experience	IOOF has a number of key ex-MLC staff

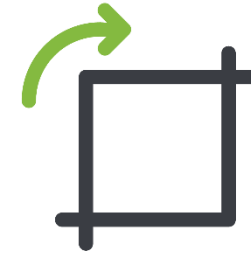
## Recent acquisitions leverage IOOF's strategy



**Advice 2.0 & investment  
in technology**



**Evolve technology  
platform**



**Mature platform  
transformation capability**



**ClientFirst approach**

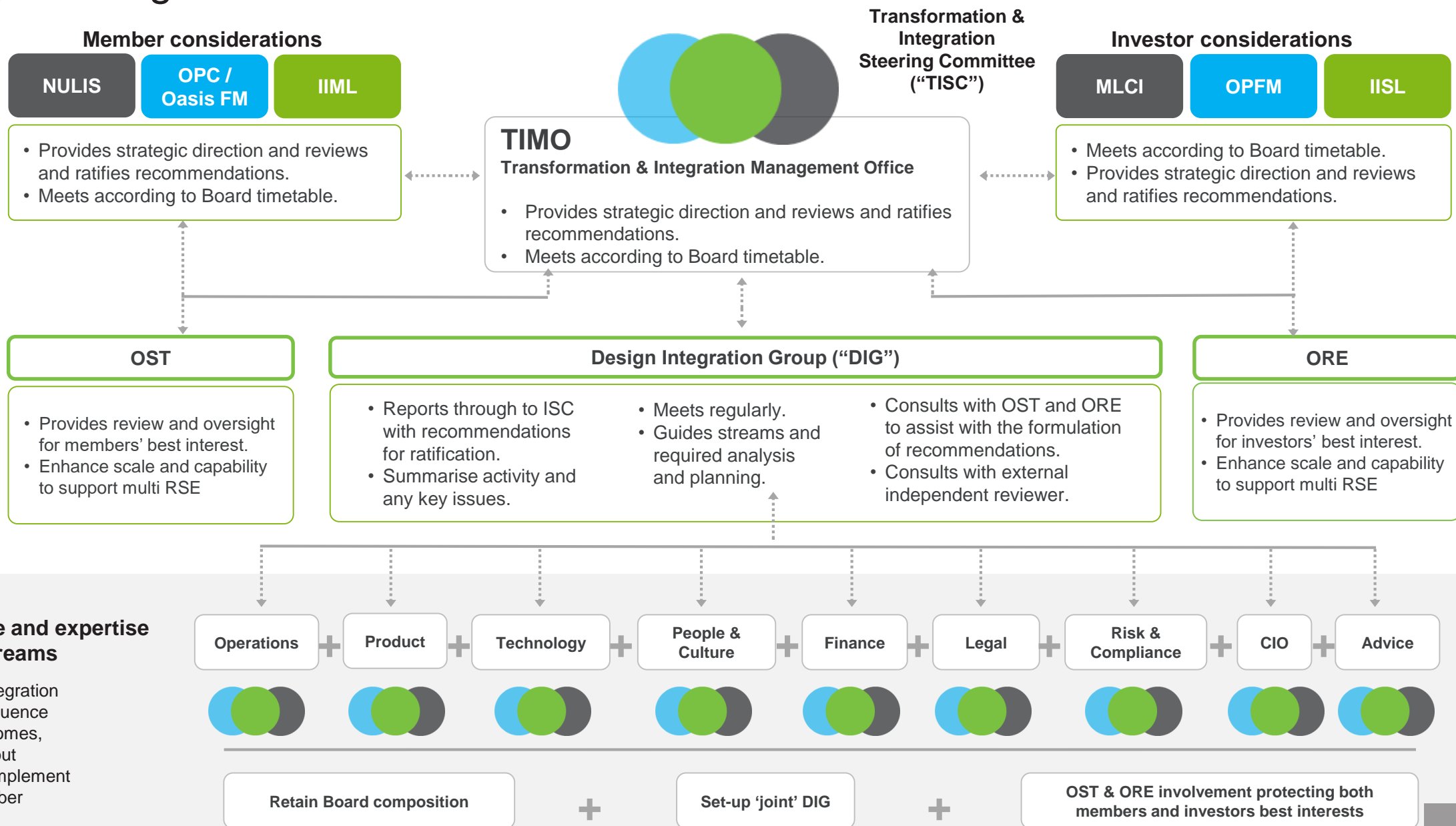


**Financial wellbeing  
program**



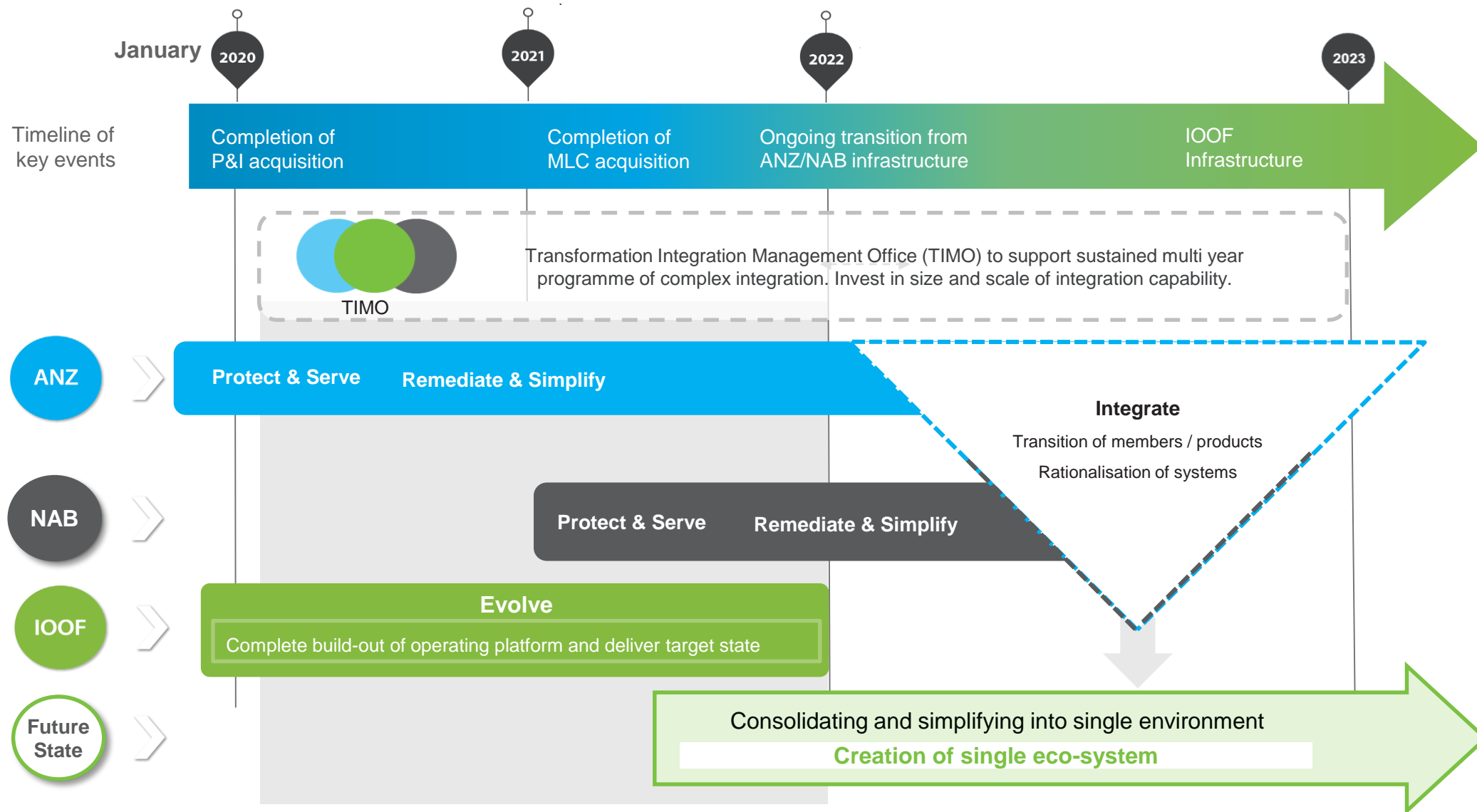
**Core integration  
capability**

# Programme governance





# High level roadmap – scaled-up transformation and migration capabilities

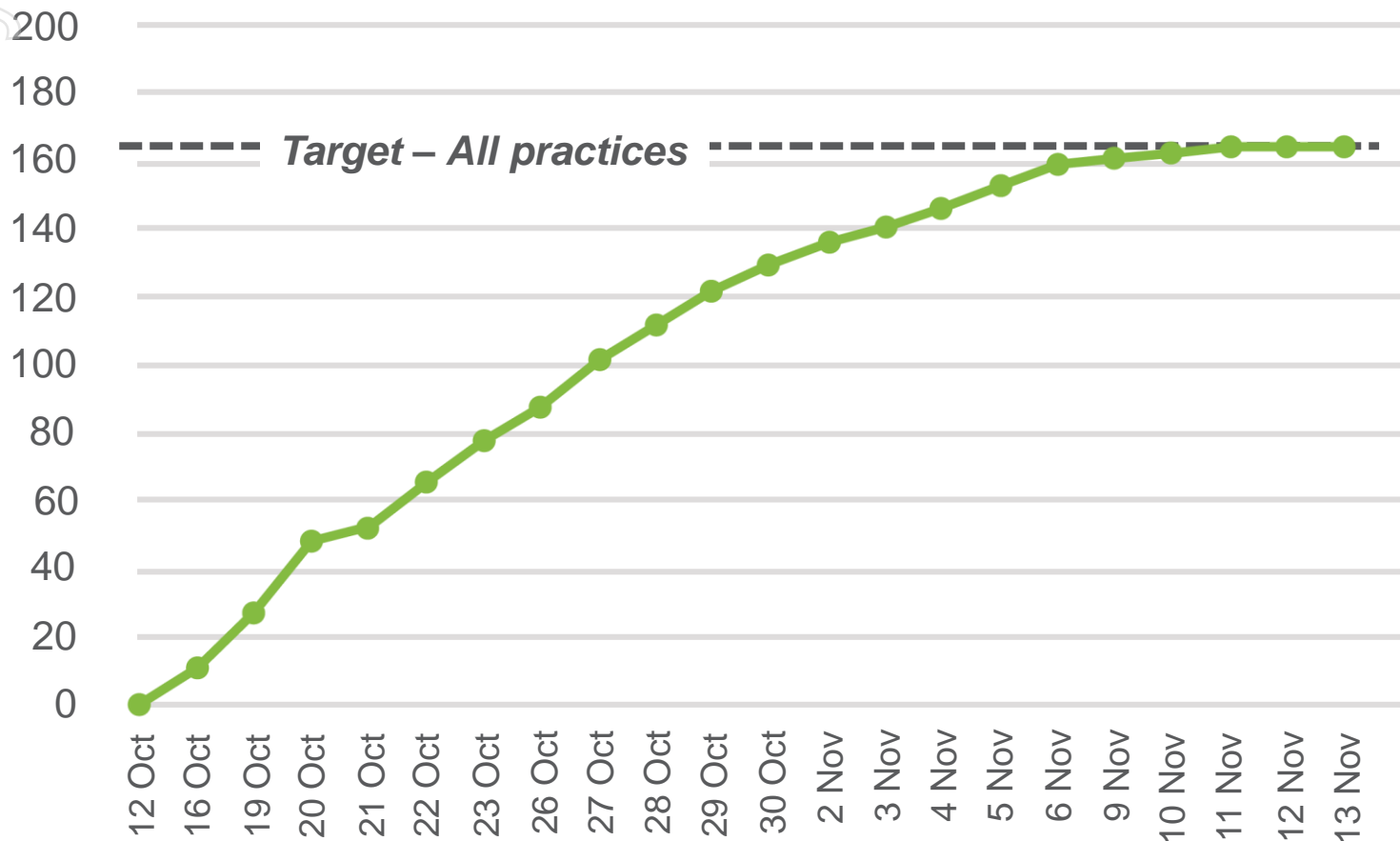


## Key milestones achieved towards completion of the MLC acquisition

Milestone	Completed
Acquisition announced	31 August 2020 
Submission lodged with ACCC	17 September 2020 
Equity placement and entitlement issue	21 September 2020 
Lenders' consent for acquisition received	8 October 2020 
Joint Transaction Implementation Plan prepared and agreed	4 November 2020 
First draft of S29 APRA change of control application submitted	9 November 2020 
Proposed date for ACCC findings	4 February 2021
APRA S29 approval	APRA dependent – TBC
<b>Completion</b>	<b>Expected between April to June 2021</b>

## Positive engagement with advisers

### TenFifty Adviser Practice Engagements

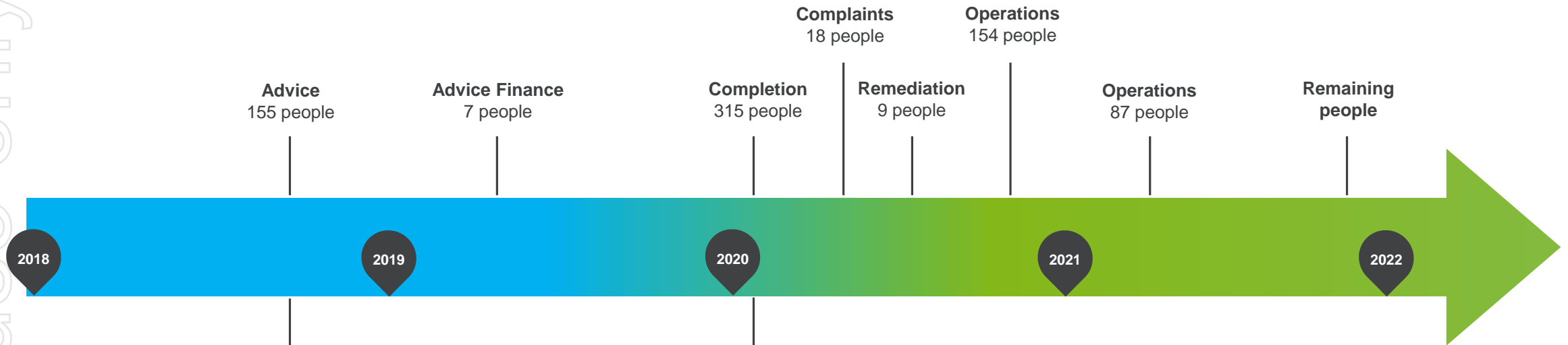


**Consulted** and **listened** to advisers' needs.

**Strong support** for IOOF offer and adviser retention remains **on track**.

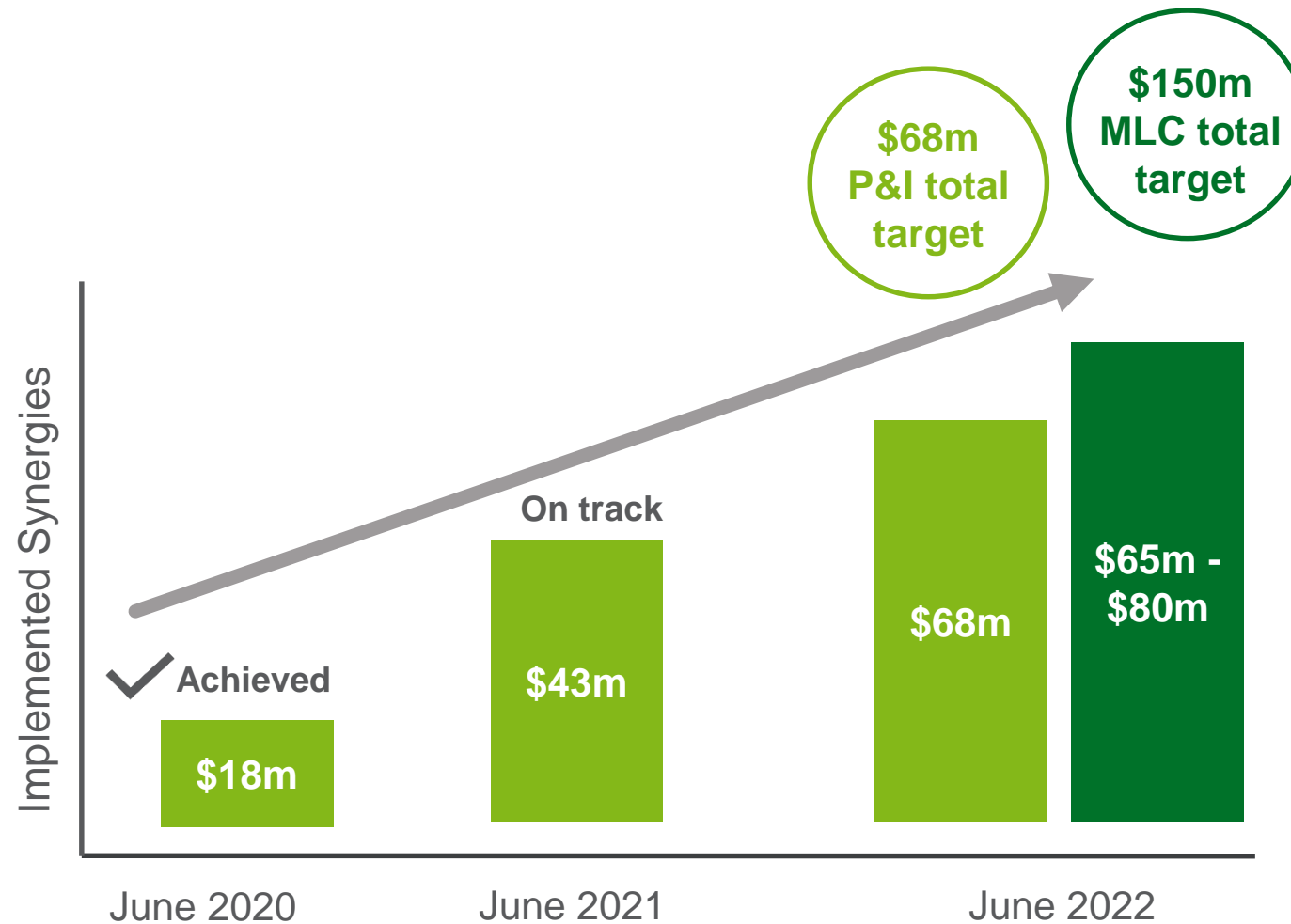
**Godfrey Pembroke's** PDG have **endorsed** the move to IOOF.

# Progressive integration of P&I people



**~75%**  
of people transferred by  
31 December 2020

## Strong process on synergies since P&I Completion



**~50%**  
of overall synergy  
target for P&I  
implemented within  
12 months of  
Completion

Figures shown are annualised. MLC target is for period 12 months post completion. Synergy targets for P&I and MLC to be combined for future reporting.





# Cultural Integration

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Mel Walls, Chief People Officer

# We have a strong, ClientFirst culture

- › Our ClientFirst purpose and culture is a unique differentiator and competitive advantage
- › Cultural alignment is very strong
- › Significant work over the last 12 months in solidifying and defining our culture

## At the heart of this is our ClientFirst culture:

- People-Centred
- Deliver what matters
- Non-bureaucratic or hierarchical
- Agile

### In 2020



Engagement score  
+12% (71%)



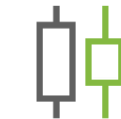
Long term direction  
+9% (66%)



Senior leadership  
+4% (71%)



Performance focus  
+5% (62%)



Alignment  
+5% (66%)



Diversity & Inclusion  
Male & Female  
Engagement (71%)



“

*“We have a work culture that others could only dream about. I often think, how do we manage to get so many good people in the one place?”*

*“People don't leave IOOF but, if they do, they always come back. IOOF has changed for the better – we all have a voice and the culture caters for differing needs.”*

*“I'm very proud to work for IOOF – I want to represent them every day. The work culture (the support) I am always looked after and encouraged. I keep getting challenged to improve.*

”

# IOOF – an ‘every-person’ organisation

Recent cultural diagnostic work highlighted our core organisational driver as ‘**belonging**’ or ‘**every-person**’



‘**Every-person**’ organisations help people **belong** by creating structures that reassure and **support customers**.

They promote behaviours that **help people fit in** and be **their best**.

## Synergies have been achieved whilst driving cultural benefits

**Ex-ANZ employees are responding well to IOOF culture:**

- **22% uplift** in engagement scores for transferred ANZ Advice employees (76%)
- Change process rated positively by transferring ANZ employees; **80% agree** IOOF has a positive and welcoming culture
- Through COVID, P&I employees rated **88% on wellbeing and support** measures

**Talent is being well integrated:**

- Ex-ANZ employees **make up 30%** of Senior Management roles within IOOF
- **8.28% turnover** of P&I employees since joining IOOF

# Helping transitioning employees to understand and adapt to our culture

We will achieve this through:



## CLARITY

Being clear about our culture and the principles that guide how we work

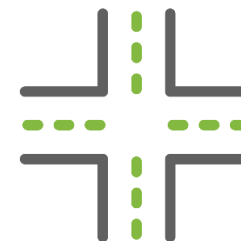
*“I understand the culture and what is expected of me”*



## CONTEXT

Helping people personalise these principles to their *role and context*

*“I am committed to applying these cultural principles to my everyday work”*



## CONVERGENCE

Alignment through convergence in ways of working

*“I see the culture reflected in one-way, same-way processes, systems and ways of working”*





## We are already seeing this play out ...

### MLC initial engagement

- **Monthly whole of business webinars** with IOOF CEO since 1 September.
- **Less formal engagement channels** also underway such as 'lunch and learn' sessions and leader-team engagements.
- **Positive feedback** on **communications** from MLC employee survey.

### Supporting people through change

- **Regular communication** that provides as much clarity as possible about the change.
- **Move with pace** through the change process.
- **Change management** part of our leadership 'DNA' not outsourced.





# IOOF Virtual Investor Briefing 2020

Renato Mota, Chief Executive Officer

# Transformational strategic focus

Stabilise

Transform

Prosper

## Advice 2.0

300+ advisers in O&O model  
30% EBIT margin  
Self employed model break even  
(approx. 1,500 advisers)



**FOCUS**

## EVOLVE 21

One single operating platform  
across all client segments  
Top 3 service ranking  
Growth in active adviser usage



**SIMPLIFY**

## Transformation through integration

\$150m pa in synergies within  
3 years of completion of MLC  
Market leading cost to serve  
(down from current 0.25% of FUA)



**GROW**



# Questions

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