



23 November 2017

2017 Annual General Meeting

Please find attached a copy of the presentation materials that will be addressed by the Chairman and the Managing Director at the Annual General Meeting of IOOF Holdings Limited today.

The meeting will be webcast live from 9.30am AEDT and can be accessed at the following link, with a recording available on demand later today at the same address:

<http://webcast.openbriefing.com/4047/>

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About IOOF Holdings Limited

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 and Distribution** services via our extensive network of financial advisers and stockbrokers;
- **Platform Management and Administration** for advisers, their clients and hundreds of employers in Australia;
- **Investment Management** products that are designed to suit any investor's needs; and
- **Trustee Services** including compensation trusts, estate planning and corporate trust services.

Further information about IOOF can be found at www.ioof.com.au

Chairman's address to the Annual General Meeting

Thursday, 23 November 2017

The last 12 months has been a period of significant achievement which has uniquely positioned our business for success.

Your Board and management team have been focused on developing a business which will sustainably deliver value for shareholders for years to come. Our focus on an advice-led strategy and our key supporting processes has resulted in another year of strong financial performance.

I am extremely pleased to report that 2017 has seen positive momentum in each of our business units.

Our three pillar strategy of organic growth, acquisitive growth and productivity & efficiency initiatives has delivered significant benefits and improved our competitive position in our key markets.

We achieved outstanding funds growth and exceptional cost control. Pleasingly, we have once again been successful in our diligent pursuit of growth through acquisitions.

Our experienced management team and our strong balance sheet enabled us to be the successful acquirer of ANZ's Pensions & Investment business and Aligned Dealer Groups.

Our Managing Director, Chris Kelaher, will discuss the significant benefits of this acquisition in detail, but overall it follows our demonstrated track record of successful acquisitive growth and cements IOOF's position as Australia's leading specialist advice-led wealth manager.

Meeting commitments delivers shareholder value

Underlying profit for 2017 was \$169.4 million.

IOOF has a strong history of cash generation and delivering this value back to our shareholders. 2017 was no different, with a total dividend for the full year of 53 cents per share, fully franked.

This result couldn't be achieved without the hard work and dedication of all of our people, the Leadership Group and my fellow Board members.

Thank you all for your ongoing commitment to IOOF and generating long-term value for our shareholders.

The value of financial advice

We believe in the value of financial advice and have centered our business strategy around delivering quality advice to our customers. We are committed to improving the quality of financial advice for all Australians and, to this end, have established the IOOF Advice Academy.

In July this year, 14 of the top 50 advisers in Barron's inaugural survey of Australian financial advisers were IOOF employed or aligned. This was the highest number achieved by any institution and shows that our commitment to quality financial advice is resulting in superior outcomes for our advisers and their clients.

Strong organic growth continues

2017 saw IOOF deliver exceptional organic growth with \$4.6 billion of net inflows - an increase of 156% on 2016.

As testament to the success of our advice-led strategy, our adviser numbers continue to grow - counter to industry trends. Advice net inflows of \$3.0 billion, up 131% on 2016, included \$976 million from 33 new advisers joining IOOF.

In addition to our advice-led strategy, our open architecture approach continues to set us apart from our peers. It is a major reason why advisers choose to partner with an IOOF advice group, as it is a tangible demonstration of offering genuine choice of products and solutions.

Focus on core capabilities

During the year, we continued to undertake activities to simplify and streamline our business. We divested a number of small non-core businesses to allow us to focus on our core wealth management capabilities.

We also made significant progress on internal initiatives, including the early completion of our MySuper implementation, a number of product enhancements and continued focus on our ClientFirst approach. This demonstrates our ongoing commitment to reducing complexity and duplication to best serve the interests of our advisers and their clients.

Our communities

Environmental, Social and Governance (“ESG”) practices are an important feature of our culture. We consider ESG as our responsibility to clients, sBhareholders and the communities in which we operate.

Our IOOF Foundation has continued its tireless work in assisting some of our most disadvantaged communities and has now surpassed the \$12.5m mark in total donations. I encourage you to read the further detail on our ESG matters and the IOOF Foundation in our ESG report, which is included in our Annual Report.

On behalf of the Board, I thank the Chair of the Foundation, Angie Dickschen and all the Foundation Board members along with the Foundation staff for their energetic and committed contribution.

At this point I would also like to recognise the contribution made to IOOF by our former Chairman, Roger Sexton. Roger was a Director of IOOF for 15 years and ably led the Board in his last four years. In his time with IOOF, the company went from strength to strength and Roger left IOOF in a strong position for continue growth and success.

Outlook

So, to conclude – We believe IOOF's unique positioning in the industry differentiates us from our peers and sees us well placed to deliver positive long-term growth.

Our three pillar strategy continues to deliver value for our shareholders. With the acquisition of the ANZ businesses, we have cemented IOOF's position as Australia's leading specialist advice-led wealth manager.

To our shareholders, the Board and management of IOOF thank you again for your support over this past year.

I will now hand over to our Managing Director, Chris Kelaher.

George Venardos
Chairman

Managing Director's address to Annual General Meeting

Thursday, 23 November 2017

Thank you George and good morning ladies and gentlemen. Our Chairman has outlined some of our key achievements in 2017 demonstrating our commitment and ability to deliver our three pillar strategy. Our focus over the next 12 months will be to continue to deliver on this strategy through continued organic growth, productivity and efficiency initiatives and value accretive acquisitions.

Business Performance

I'm pleased to report that we have delivered another year of strong financial performance.

Underlying net profit after tax for the year was \$169.4m which follows our strong performance in 2016.

For our shareholders, our total dividend was 53 cents per share, fully franked. We are committed to delivering value back to our shareholders and have once again paid out at the upper end of our dividend payout ratio range. This remains a hallmark of our financial performance.

I am extremely proud of yet another year of consistent high performance from my leadership team and all of our people. Thank you for all of your efforts during 2017 and delivering this result for our shareholders.

Consistently executing our strategy

We have remained committed to our three pillar strategy of organic growth, identifying productivity & efficiency initiatives and our pursuit of value accretive acquisitions.

I am very pleased to say that we have delivered on each during 2017.

Organic growth

On organic growth - As the Chairman has noted, total net funds inflow for the year was \$4.6 billion – a tremendous achievement.

A standout feature of our 2017 result was the commitment of approximately 50 advisers to join our Advice licenses. As the Chairman has noted, this is against industry trend. The Advice industry is consolidating and we are distinguishing ourselves from our peers by growing our adviser numbers.

Offering open architecture is a key reason that advisers want to join an IOOF aligned group. I believe IOOF is unique in our dedication to providing genuine choice of products and services to advisers. This sees us well positioned for continued growth.

Productivity and efficiency

Turning to the second pillar of our strategy - We are always looking for better and more efficient ways to operate - which best serve our clients and their advisers.

In June 2016, the completion of the TPS to Pursuit platform rationalization saw significant cost savings delivered in the second

half of the most recent financial year. We had previously highlighted that we expected this platform rationalization to deliver \$5-6m of annualised cost savings and we have over-delivered on this target.

Simplification of our business continued during 2017. We divested a small number of non-core assets which leaves us focused on our key wealth management offerings in 2018 and beyond.

Growth through acquisition

Moving on to M&A. Acquisitions are a key part of IOOF's growth strategy. Since the three way merger of AWM/Skandia & IOOF in 2009, Total Shareholder Return has been 261%, or 16% per annum on an annual compounding basis, and acquisitions have played no small part in that significant growth.

I was very pleased to announce the acquisition of National Australia Trustees Limited from NAB in June of this year. This acquisition positions IOOF and its Trustee business as the largest compensation trustee in Australia. It shows continued focus on our Trustee business as part of offering our clients the full suite of quality wealth solutions. It will also bring additional scale to our trustee offering overall, which will in turn drive further efficiencies in the years ahead.

In October, we announced the significant acquisition of ANZ's Pensions & Investments businesses and Aligned Dealer Groups. Alongside the acquisition, we announced we are entering into a 20

year partnership to our wealth management products to ANZs customers.

ANZ is one of the pillars of Australia's financial system. That IOOF has been sought as its partner in wealth management shows the extent to which IOOF is respected as our country's leading specialist in this sector. This is a transformational acquisition for IOOF in terms of the additional scale that it provides.

I have always regarded IOOF as the natural buyer of this business in an environment which has seen many changes for bank-owned and managed Wealth businesses.

ANZs business fits seamlessly with IOOFs existing advice, platform and investment management businesses - our core wealth management offerings. It sees us positioned as the clear #2 in terms of Funds under Advice and adviser numbers. I am confident that this acquisition will deliver significant benefits for our shareholders.

Prudent capital management allowed us to fund this acquisition with a combination of equity and debt. The reception to the acquisition from the market has been overwhelmingly positive.

I was delighted to announce just this week that we had successfully completed a Share Purchase Plan with \$78 million of retail investor funds raised. That equates to approximately 7 and a half thousand of our retail shareholders – a significant number.

Adding to the \$461 million raised by the institutional equity placement, this shows overwhelming support for IOOF's strategic pursuit of value accretive acquisitions.

ANZ's separation of its wealth management activities from its life insurance business will take approximately 12 months. At that point, IOOF will take the reins and anticipates taking a further 18-24 months to fully integrate the businesses into IOOF. This shows a considerable commitment to the long term success of this acquisition. We are determined to ensure that the integration is done swiftly, but prudently, so that we are in a superior position to offer quality products and services to our vastly expanded client and adviser base.

Summary

In summary, we have delivered strong financial performance and, by consistently and diligently pursuing our strategy throughout 2017, we have positioned IOOF for future success.

Thank you for your support during 2017 and I look forward to continuing our track record of success into 2018 and for years beyond.