



4 December 2018

IOOF HOLDINGS LTD Investor Briefing Presentation

Attached is the presentation to be given today by IOOF senior executives at an Investor Briefing in Sydney. The briefing is scheduled to commence at 10:00am AEDT.

The briefing will be webcast live from 10:00am and may be accessed at <https://webcast.openbriefing.com/4904/>.

A recording of the webcast will be available later today at the same address.

-ENDS-

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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 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 and estate planning.

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



IOOF Holdings Limited | Investor briefing 2018

4 December 2018



Agenda



	Speaker	Time
Welcome & overview	Christopher Kelaheer Managing Director	10:00 – 10:10
ANZ Aligned Dealer Groups integration	Darren Whereat Group General Manager Advice	10:10 – 11:00
IOOF's client-centric digital strategy	Sharam Hekmat Chief Information Officer	11:00 – 11:50
Closing remarks	Christopher Kelaheer Managing Director	11:50 – 12:00
Refreshments and networking		12:00 – 13:00



IOOF Investor briefing 2018

Christopher Kelahe | Managing Director

Royal Commission Working Group

Areas of focus – issues arising from Royal Commission hearings

- Establishment of internal Royal Commission Working Group - March 2018
- Focus on issues raised during the Royal Commission hearings which may potentially impact IOOF

Completed - deceased estates

Identified approx. 2,000 client files based on fee streams post mortality – no material issues identified. Adviser based where identified (i.e. non IOOF revenue). As at July 2018, process improvements implemented.

Ongoing - product and advice

Product

- Corporate super plan service fees following NAB/MLC appearance at Royal Commission
- Relatively low component of IOOF FUA
- Investigated files, fee disclosures and contracts on a sample basis
- No material issues identified to date

Advice

- Continuing monitoring underway
- Key focus for audit and individual reviews
- Continuous enhancement of audit program
- Existing review process with ~5,000 files reviewed per year has not highlighted any systemic issues
- No material issues identified to date

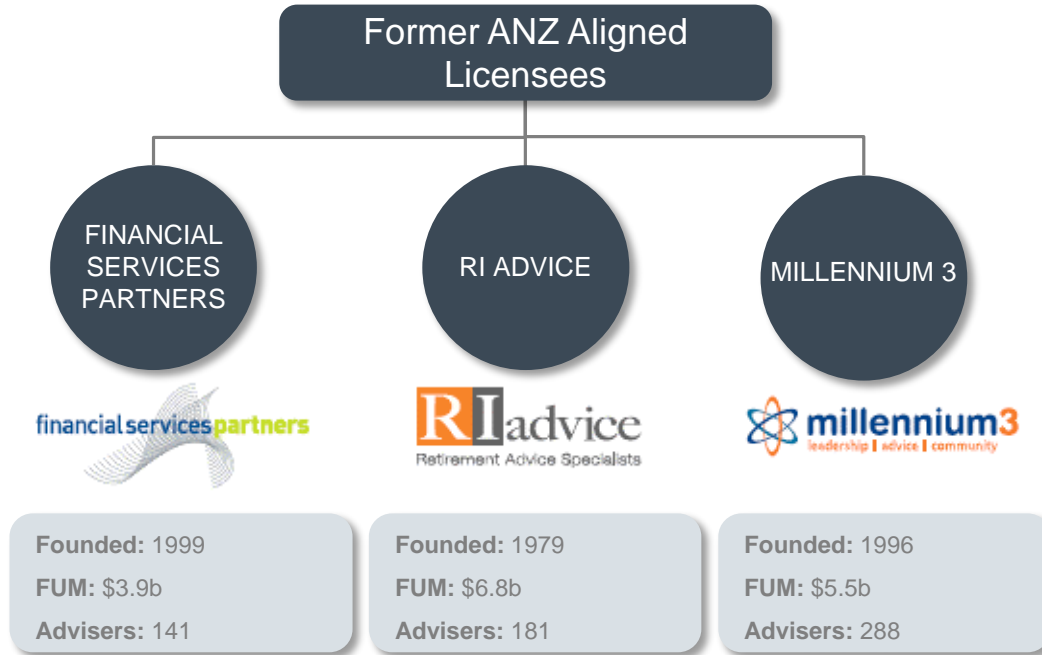
Prudent estimate of maximum exposure based on non-systemic issues - **\$5 – 10 million**



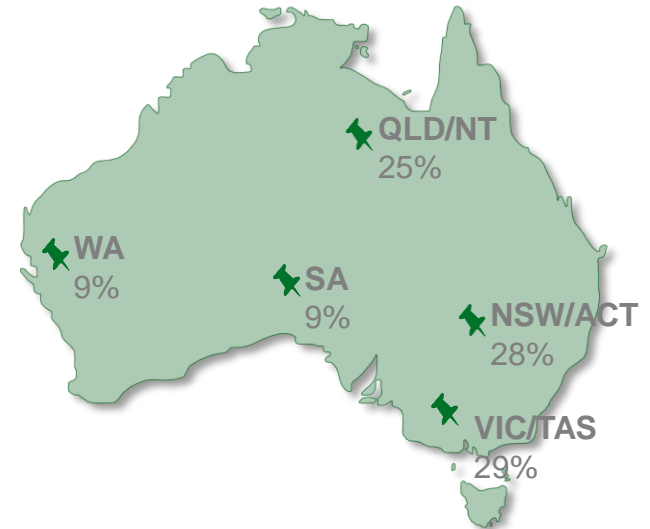
IOOF | ANZ Aligned Dealer Groups integration

Darren Whereat | General Manager Advice

Licensee overview



Combined adviser footprint



Notes:

- The information provided excludes Elders Financial Planning, in which the IOOF group has a 51% holding
- The FUM and Insurance In-force numbers are based on data provided by Strategic Insights for the month ended 30 September 2018. This data covers the major platform & insurance providers used by the licensees, but is not comprehensive across all providers and excludes direct investments held by clients off platform.

Licensee value propositions



RI offers business solutions to improve efficiency underpinned by customised adviser technology

Target practices

- Corporatised typically over \$500,000 in revenue and established advice businesses focused on pre and post retiree markets



M3 has deep ties to the insurance market. Through these relationships, M3 has become a leading risk business with a strong wealth capacity. Through its scale, M3 offers advisers the leadership, resources and right connections to succeed.

Target practices

- Advice businesses looking to grow their risk capability

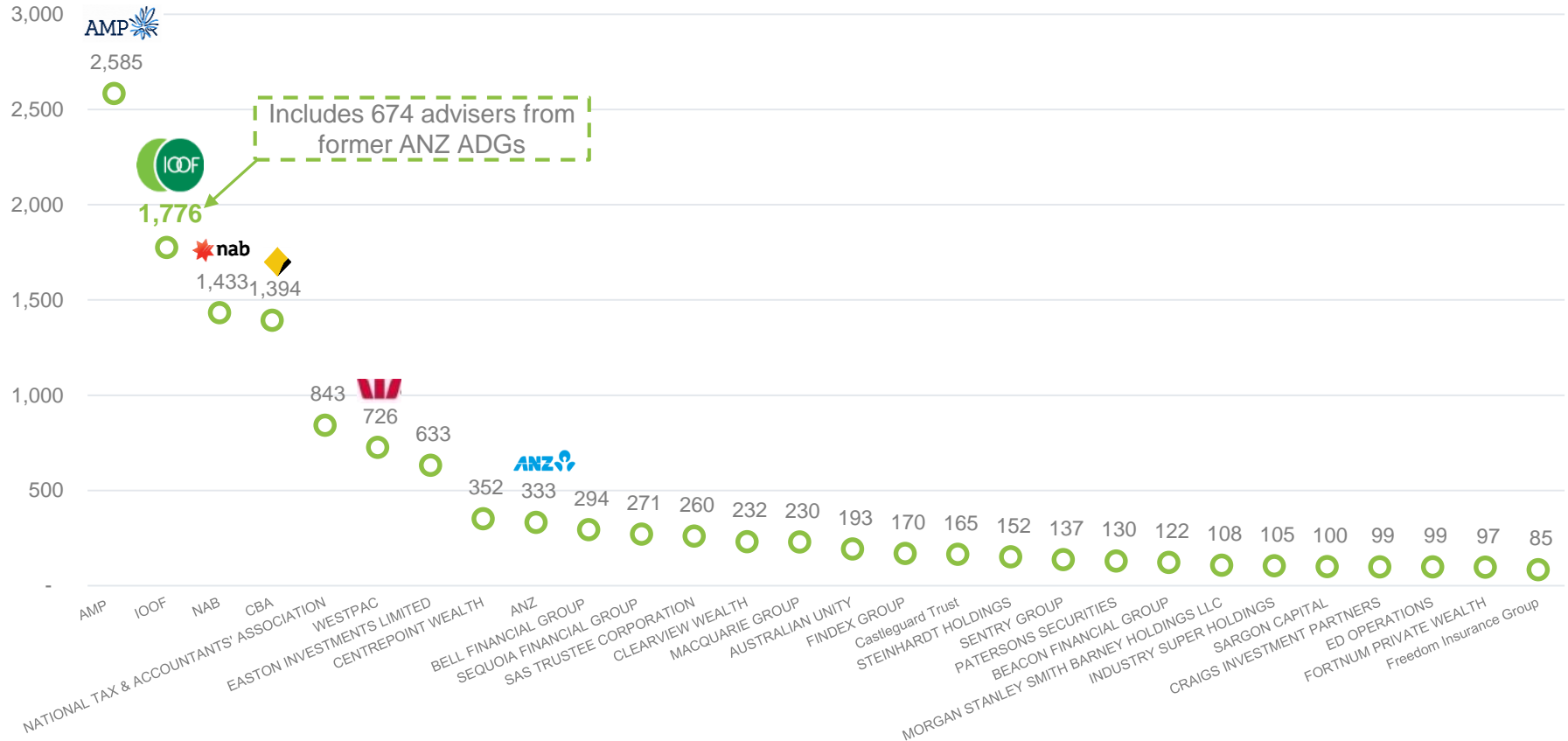


FSP is a full service boutique licensee renowned for innovation, its unique peer network, personal and tailored support and lead generation capability in niche markets

Target practices

- Younger, professional & growing

Advice landscape



Early observations

Adviser sentiment very positive

- ✓ Adviser network stable – no losses during transition.
- ✓ Pipeline for Authorised Representatives is growing:
 - ✓ Net Advisers*: 661 as at 1 October, 667 as at 1 November, 674 as at 29 November.
- ✓ Certainty of ownership has created stability.
- ✓ Open Architecture APL well received.

Early observations

Opportunities to create efficiencies with back office functions

- **Technology**– Strong Xplan capability within existing team, which we will build on by combining existing and new teams. Key focus to leverage Xplan as core advice system for all licensees.
- **Licensee operations** – bring together CPD management, training, induction, and Adviser appointments to create efficiencies across all licensees.
- **Supervision** – coordinated approach to supervision and reporting across all licensees.
- **Organisational design** – some flattening of structure required to align to IOOF approach to organisational design.

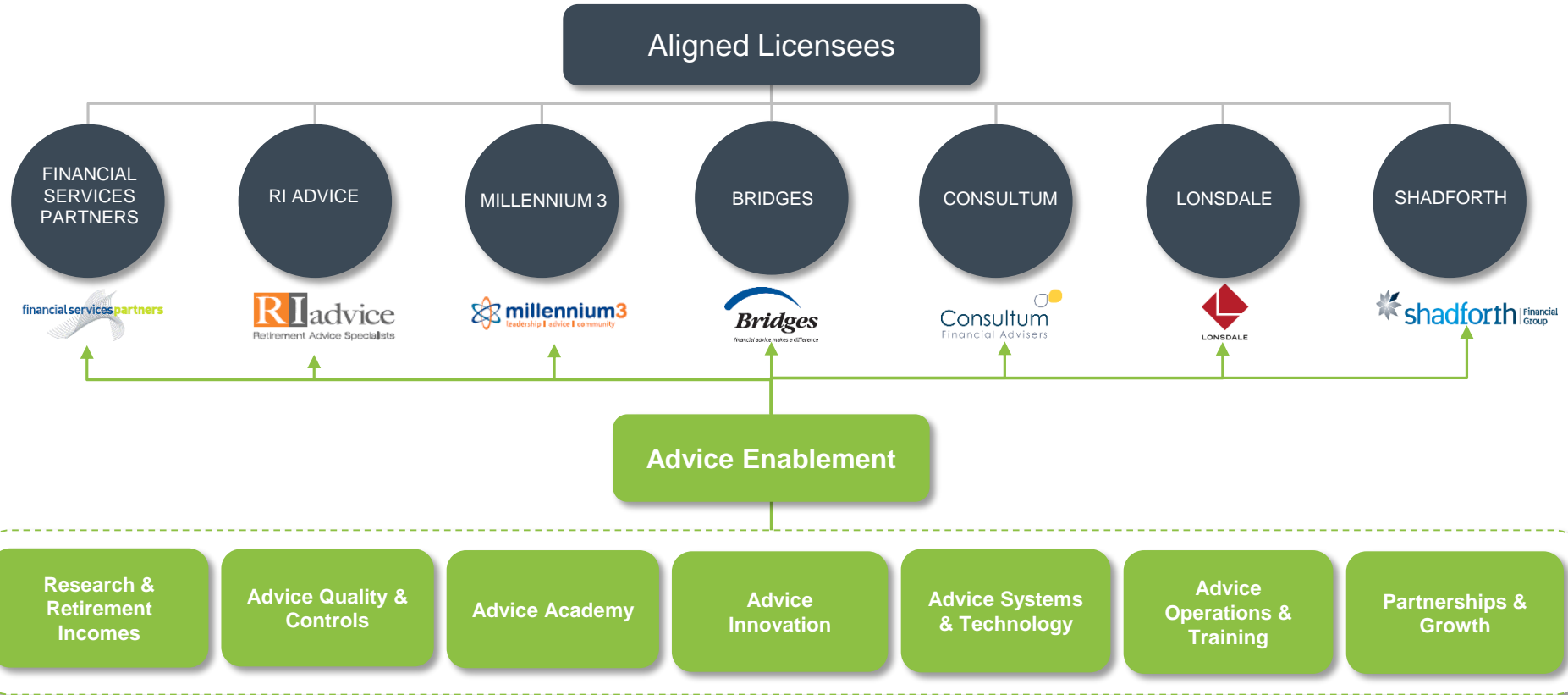
IOOF Alliances

- Great opportunity to differentiate in the market. Focus on strategy and resources to support.

Goals-based advice

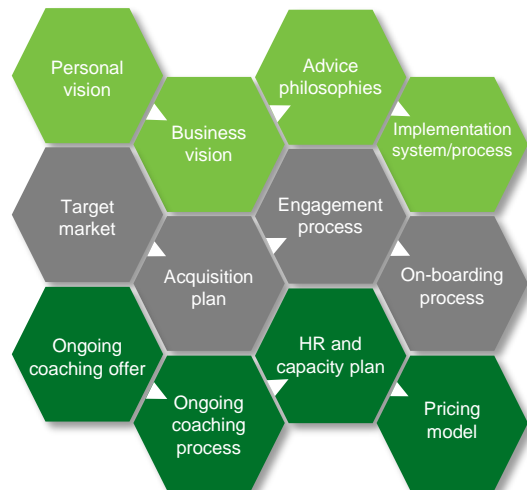
- Strong capability bringing team together. Advice Academy provides the methodology, coaching and training and Wealth Report provides the technology/tool to enable the discussion.

Advice Enablement | Shared services model



Advice Academy remains a key priority

Continued focus to **drive strategy**



Module 1: Creating the foundations for success



Module 2: Defining your core offer



Module 3: Converting prospects and engaging clients



Module 4: Employee value proposition



Module 5: Creating your value proposition

Advice Leadership | Context for change



Advice Leadership Vision | A great client, adviser & licensee experience!



Client Engagement

Secure online environment, data capture and personalised Wealth Report



Projection Modeller

Demonstrate client goals and visualise impact. Model the value of financial advice



Video 1 - Wealth Report





IOOF | Digital Strategy

Sharam Hekmat | Chief Information Officer

Digital strategy

Digital Transformation

- Digital transformation (DX) is the **integration** of digital technology into all areas of business, **changing** how you operate and deliver **value to customers**
- The world is becoming incrementally **digital** – DX is crucial to remaining **competitive**

Cloud Computing

- The **economics** of computing will shift towards the **cloud** over the next few years, as opposed to running your own **data centre**
- In preparation, we **internally build everything** to be **PaaS** cloud-ready, and we adopt new **SaaS** cloud apps (e.g., Concur, SuccessFactors, KnowBe4)

Cognitive Computing

- We see opportunities to benefit from using **cognitive** computing for **operational efficiency, compliance** automation, analytics...
- We have **partnered with Deakin University's** Software and Technology Innovation Lab to undertake joint R&D in cognitive computing

Guiding principles

Strive for
Simplicity



Don't over-analyse

Start with a problem,
not a solution



Involve the users

Develop
incrementally





Platform DX | Custom-built ASIS Platform

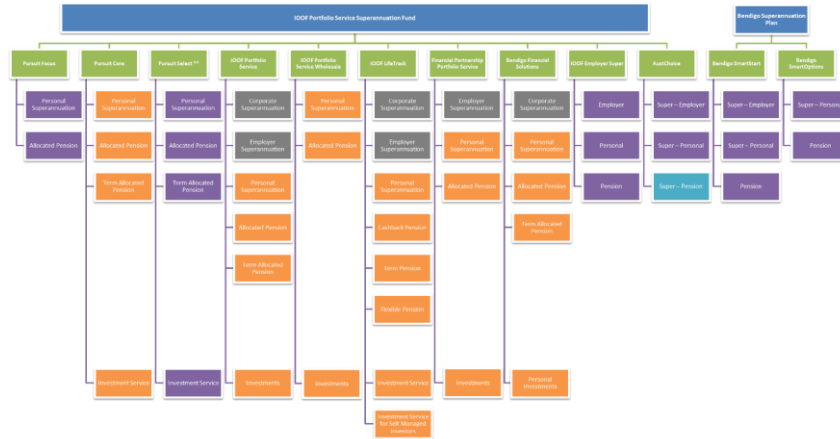
Project Evolve

Project Evolve is a cross-functional programme of work to ultimately deliver the **go forward technology platform** for IOOF's proprietary retail and workplace products.

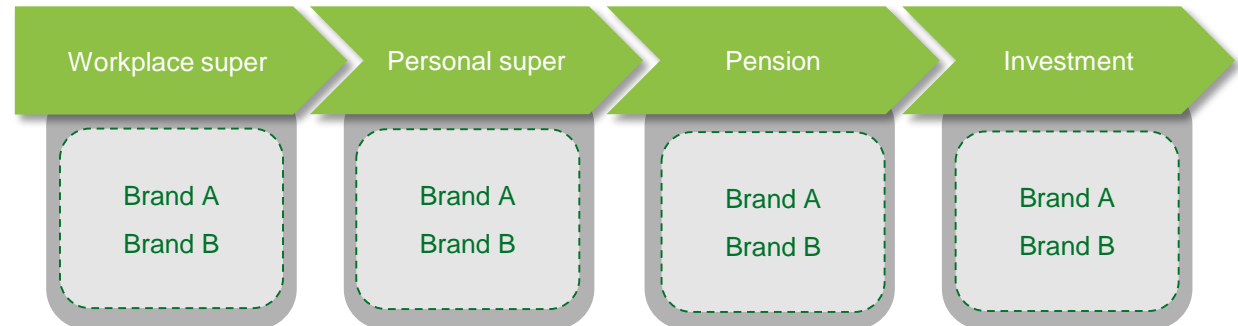
- Commenced mid 2014
- Agile delivery methodology
- Customer centred design approach including our members and advisers in every feature development
- User experience design team works closely with product and technology streams
- Up to 120 releases per month
- Released to production as soon as value can be derived by existing clients/advisers

Simplify our business, improve member experience

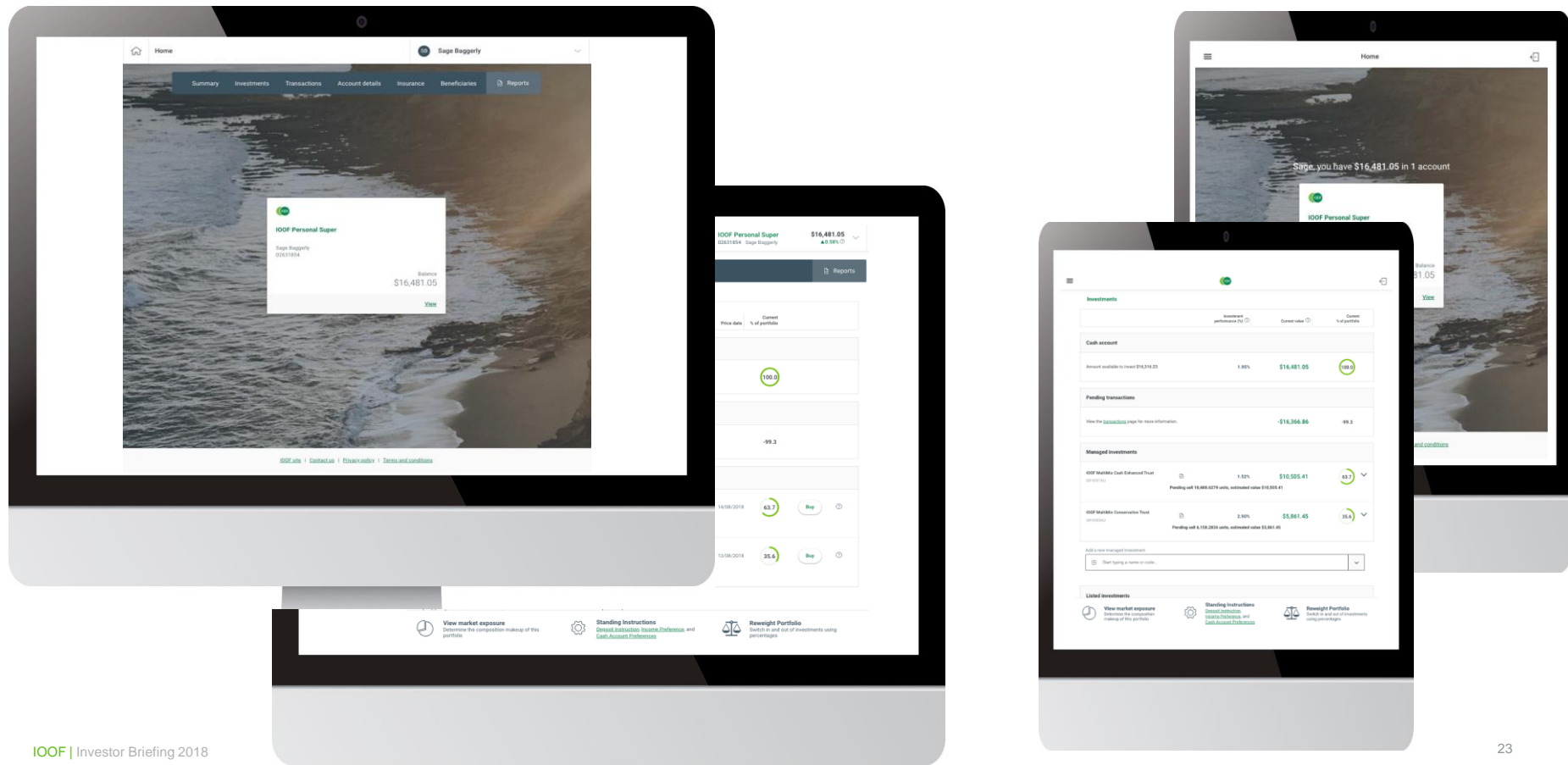
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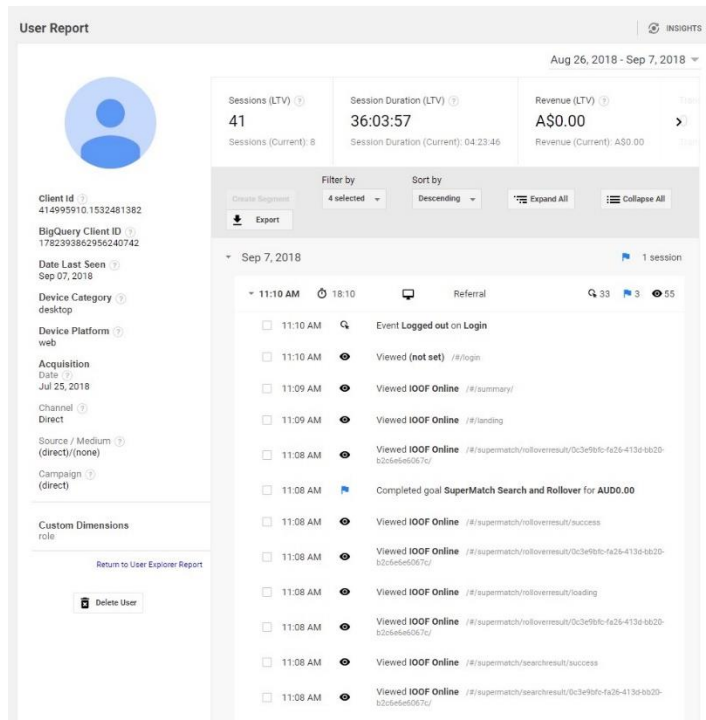
To...



UI | Modern client portal

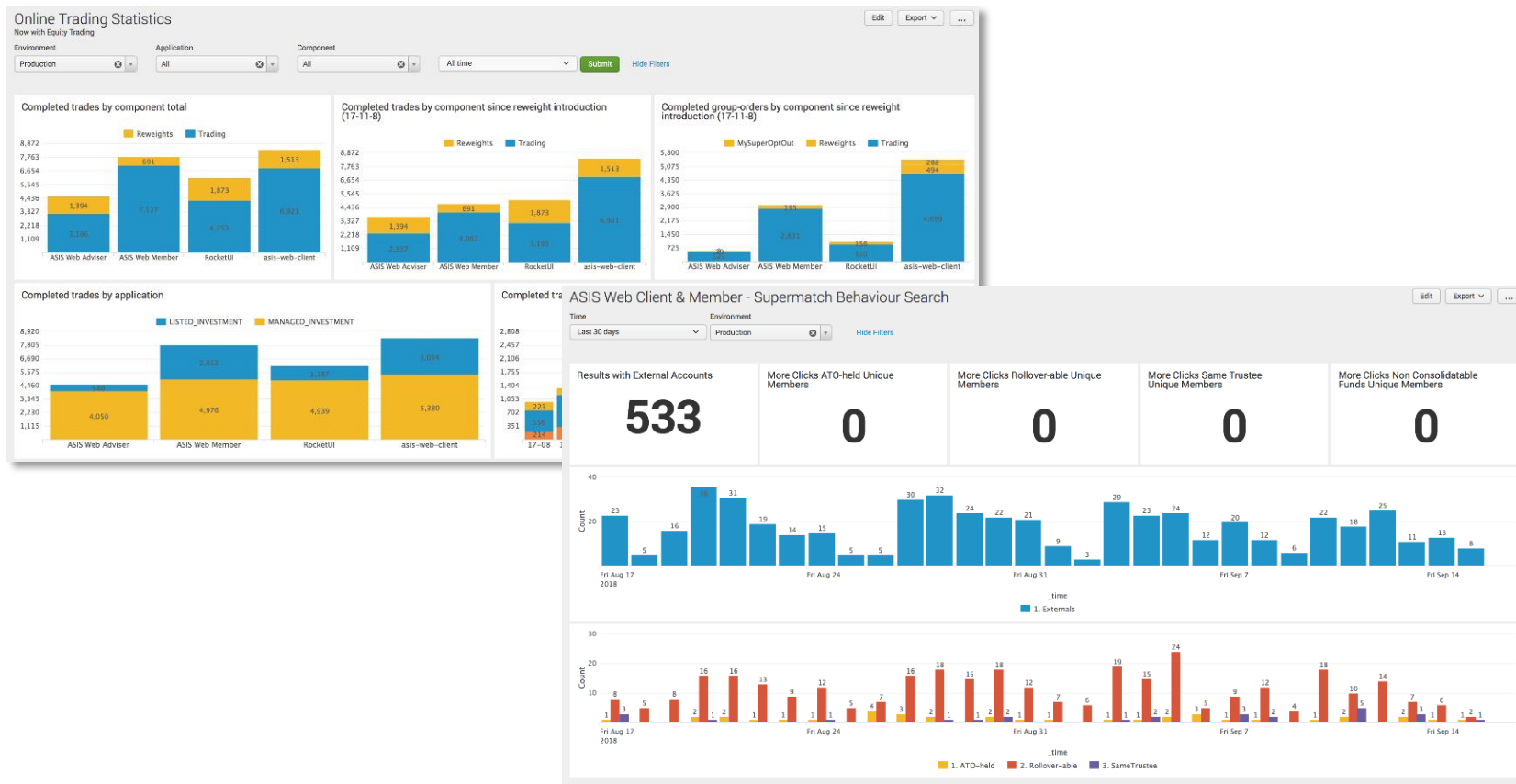


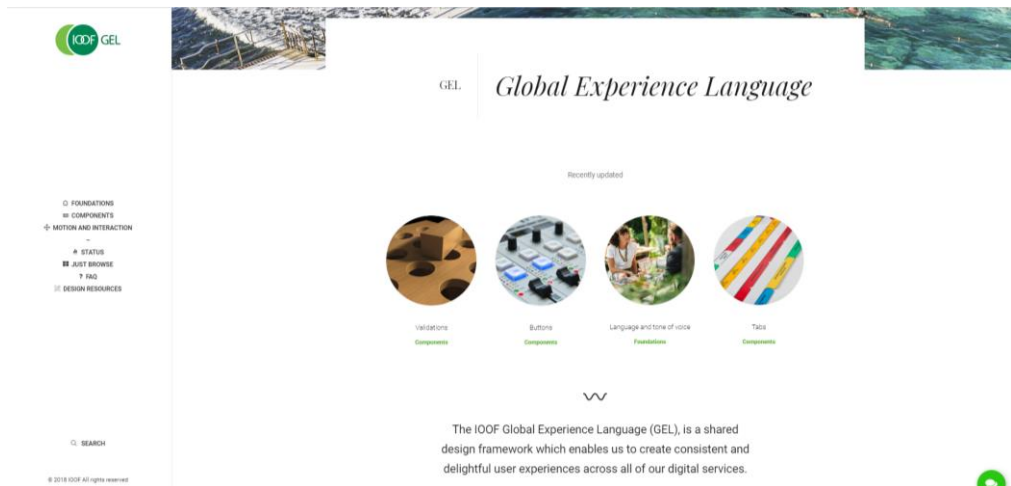
Google Analytics



In this session, a user:

1. Tries to log in
2. Finds they need to reregister, which they do including two-factor authentication, **in 2 minutes**
3. They then log in properly and have a brief look around
4. They initiate a binding nominations change and they download, upload, and complete that **in 5 minutes**
5. Then they check their investment instructions
6. Then they kick off a super match and in **1 minute** they've completed their search and initiated roll-ins from other funds





Badge variations



Primary

Label

Primary Hover

Label

Primary Active

Label

Primary Disabled

Gray 600 / Powder

Label

Secondary

Label

Secondary hover

Label

Secondary Active

Label

Secondary disabled

Gray 600 / Powder

Label

Colour blind tests

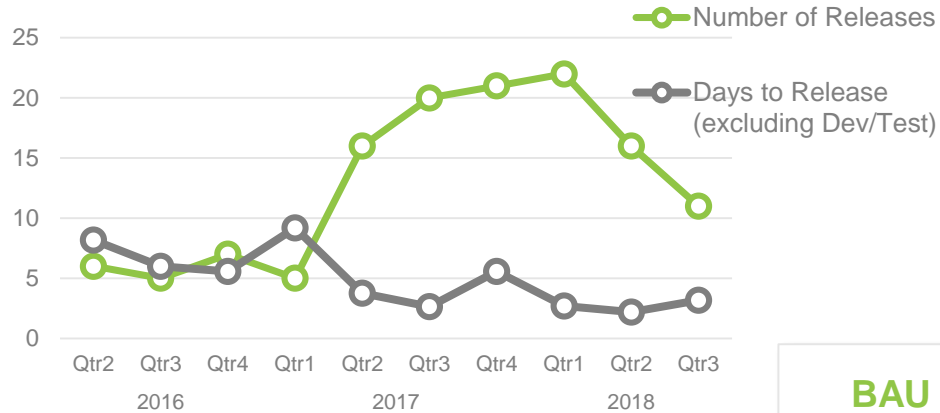
Please note the simulated viewing across the various colour blindness states.
The final column (achromatopsia) is edit only issues and very difficult to resolve without the



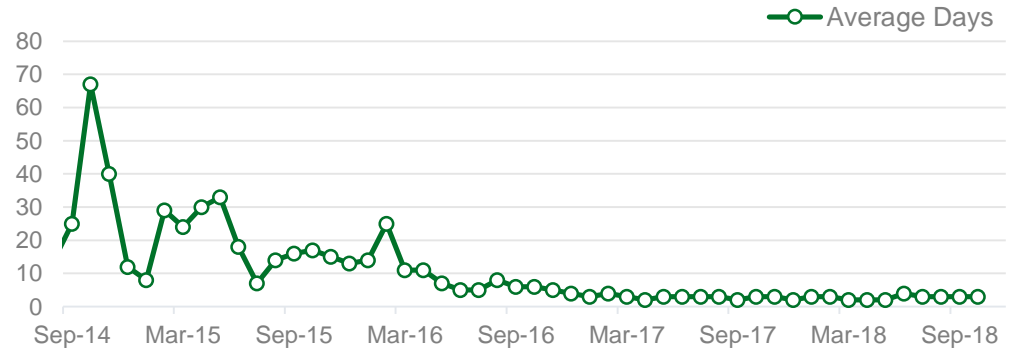
Table item	1.20	1.20	▼ 2.80
Standard table			
CH1 (%)	CH2 (%)	CH3 (%)	
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Working Practices | Agile

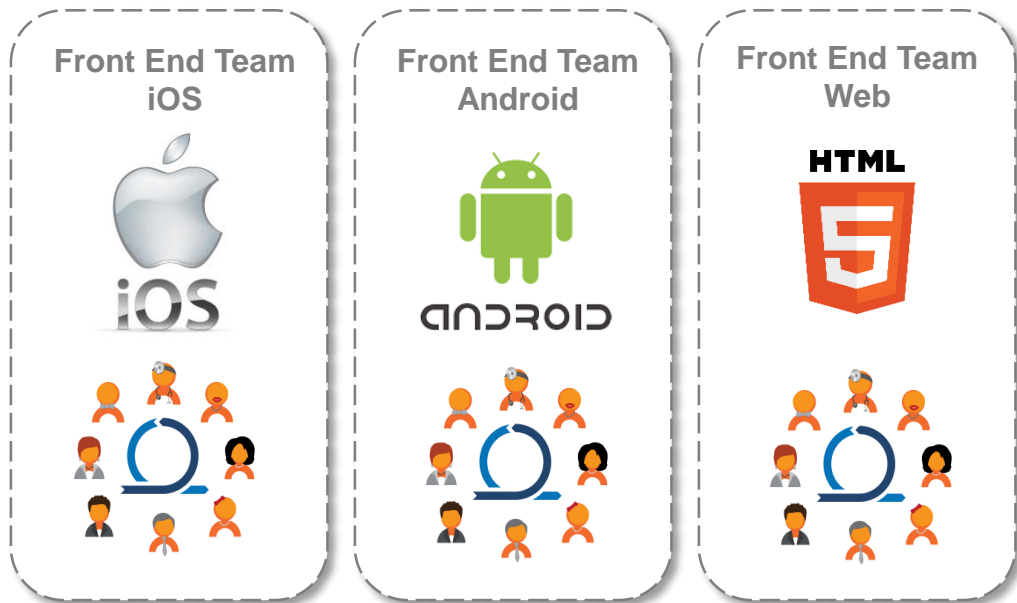
Website releases



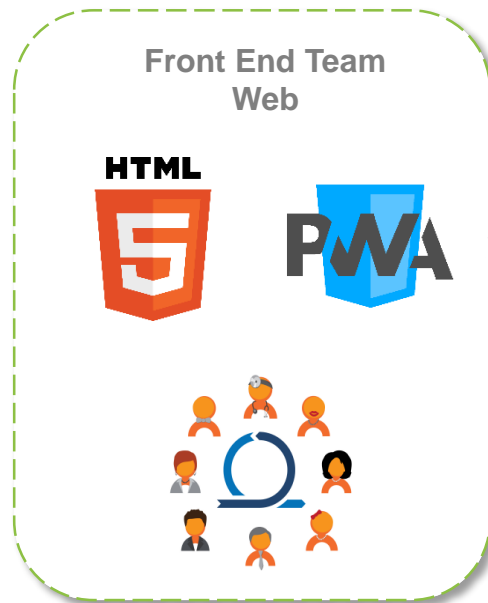
BAU - Average Resolution Time



What many organisations did/do



IOOF / Evolve



Video available here

Technology | PWA versus native app

FEATURE	PROGRESSIVE WEB APP	NATIVE APP
Functions offline	✓	✓
Mobile-specific navigation	✓	✓
Push notifications	✓	✓
Home screen access	✓	✓
No download required	✓	✗
Bypasses the marketplace	✓	✗
Linkable and shareable	✓	✗
Indexed by Google	✓	✗
Low data requirements	✓	✗
Requires no updates	✓	✗

Video 2 – Progressive Web Apps



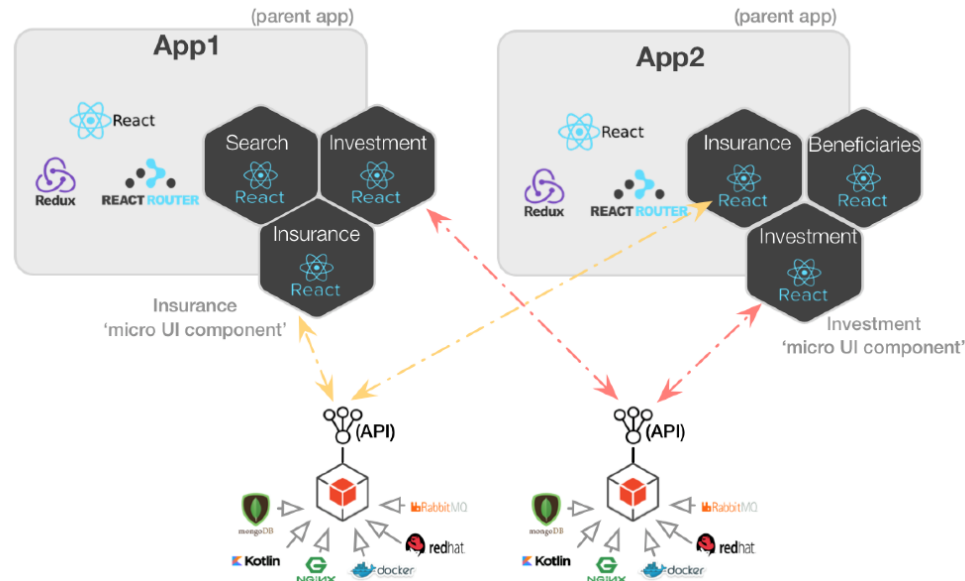
Technology | Micro frontends

Micro-services for the frontend

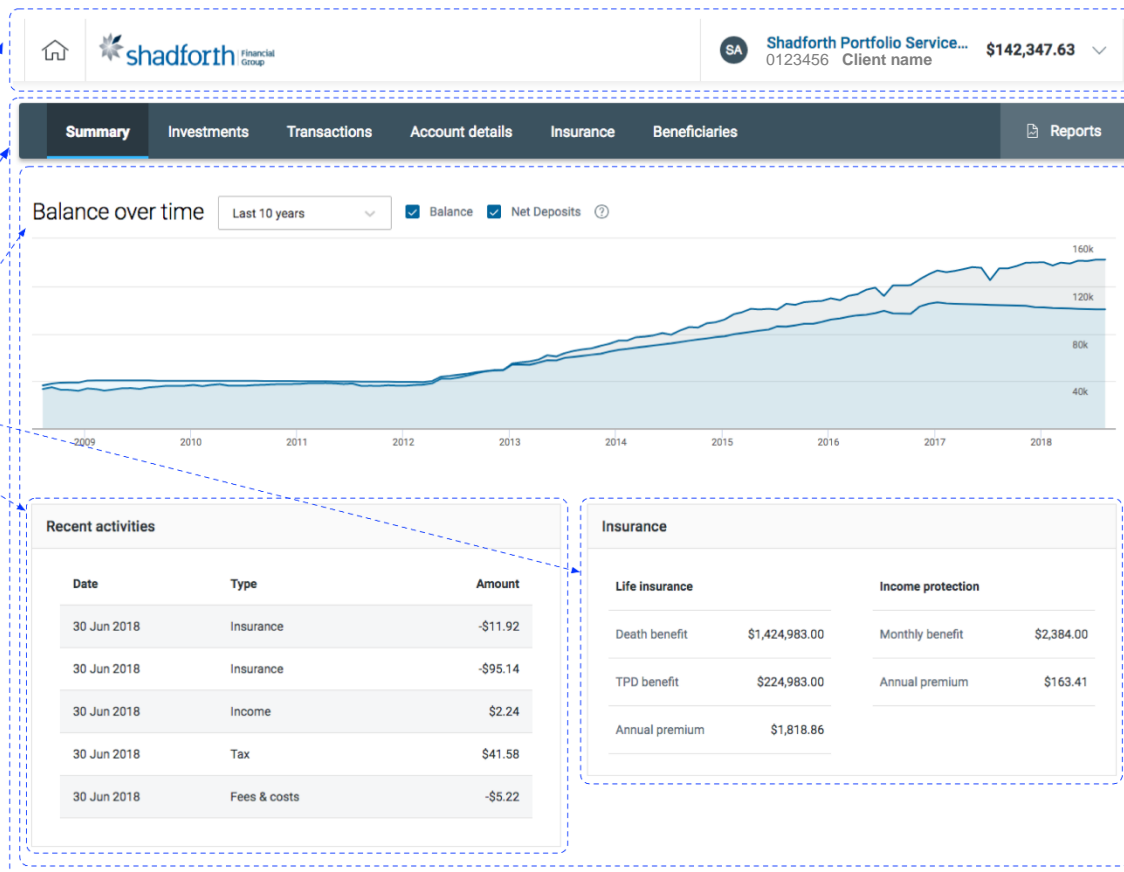
- Small codebases
- Easy to understand
- Fast builds
- Independent deployments
- Frequent releases

Benefits

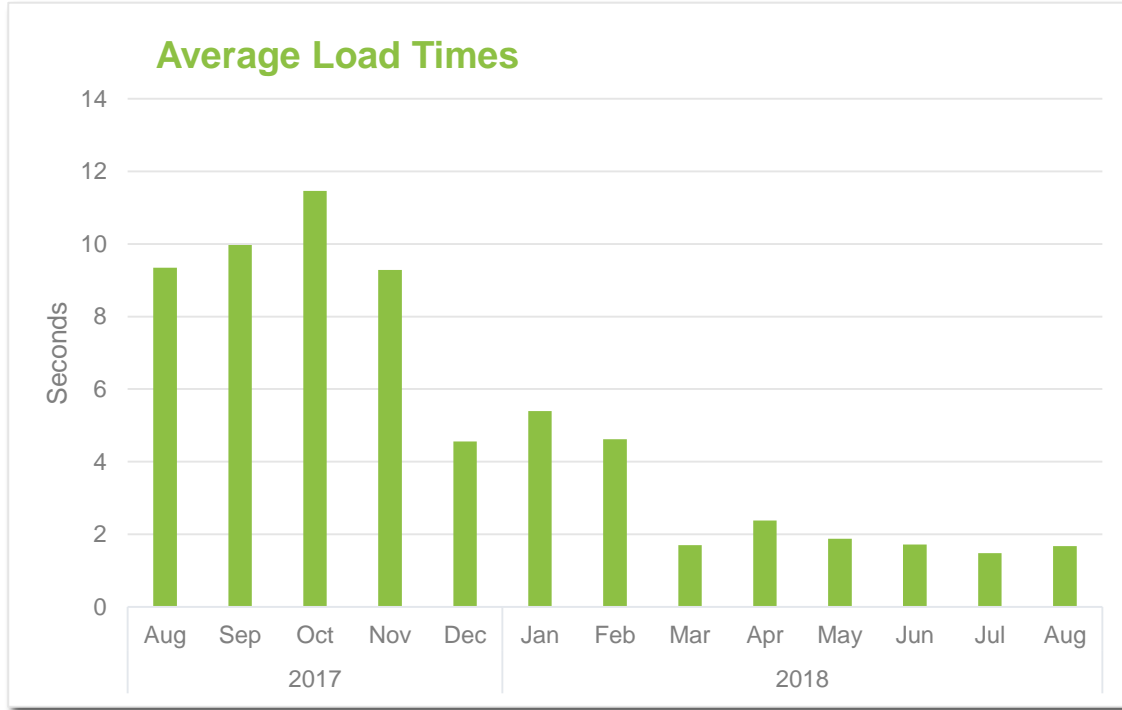
- ✓ Team independence
- ✓ Loadable on demand
- ✓ Cached separately
- ✓ Reusable



Individual components

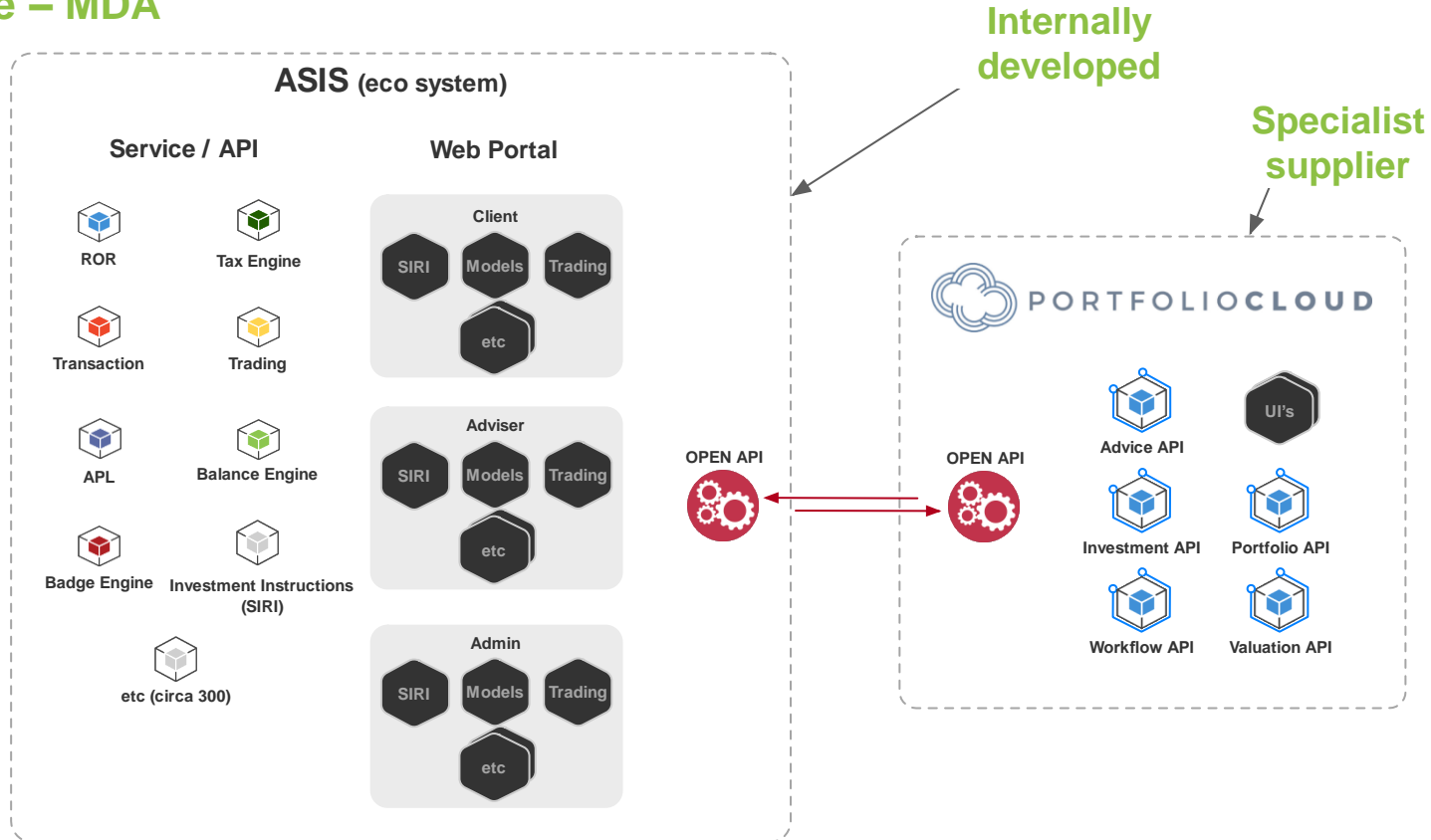


Technology | Micro frontend results



Smaller download sizes:
4MB => 500KB

Evolve – MDA



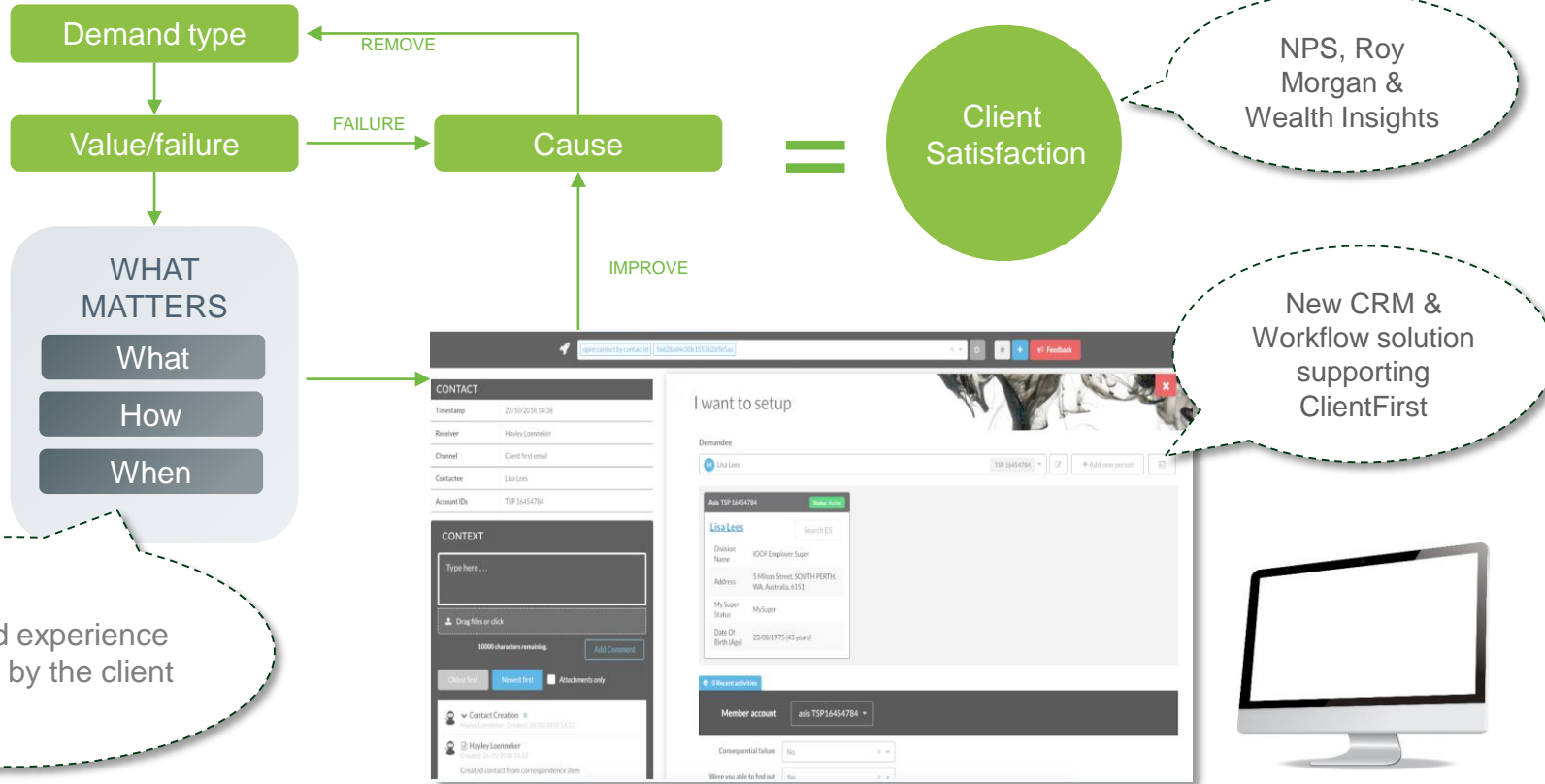
Video 3 – IOOF Online





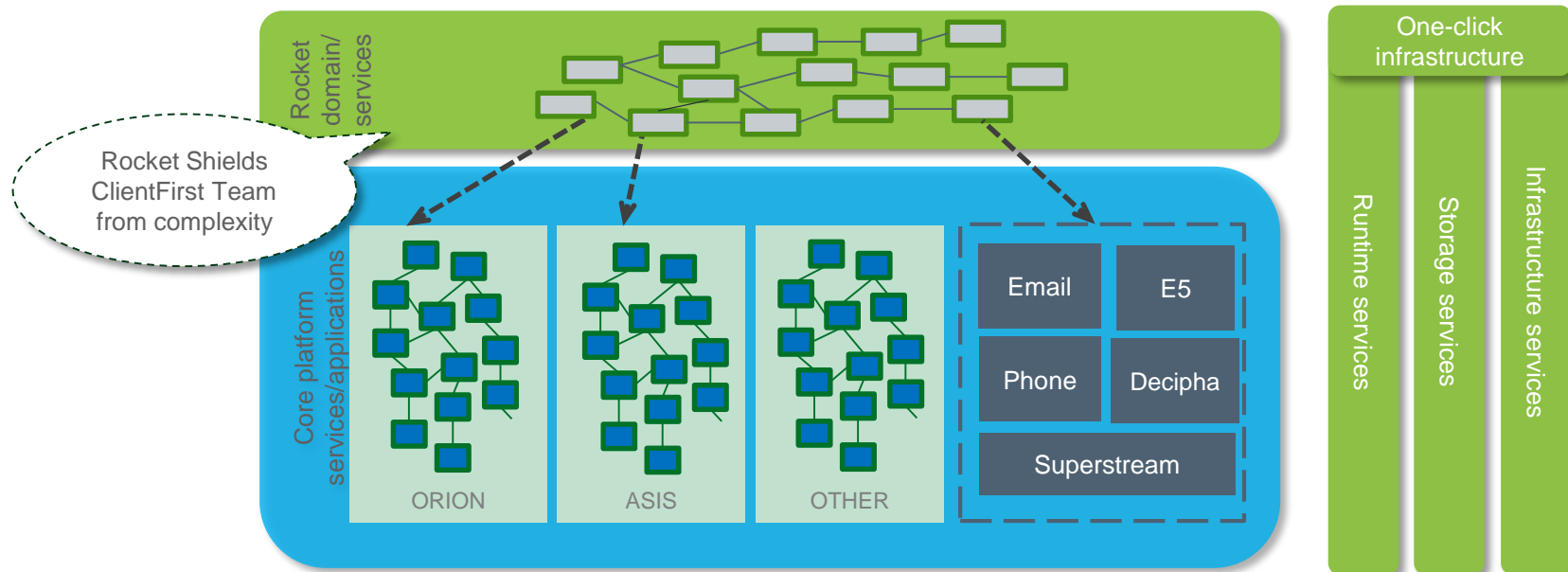
Platform DX | Custom-built Rocket for ClientFirst

New Measures and data driving decision making



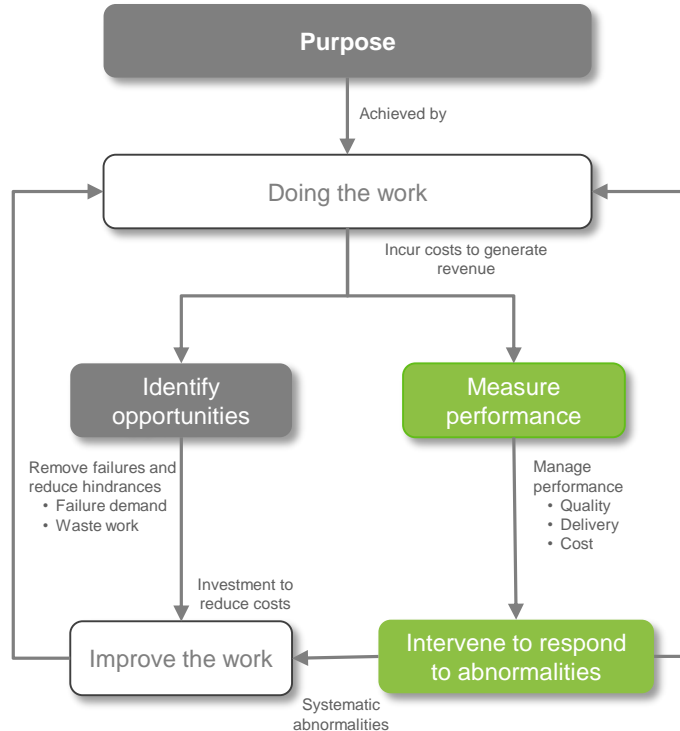
Rocket Architecture | Facilitating a new way of working

Rocket interfaces with all I.T systems. We continue to invest in simplifying underlying architecture through **Project Evolve**. Simultaneously Rocket continues to be developed based on client data.



Integrated I.T. support delivering value

How a 'closed-loop' system drives/improves performance



Ways of working

- Co-located within Client First
- Shared KPI's and ownership
- Operate in partnership
- Data driven decision making
- Low cost improvement delivery

Delivered to date

- Development of systems (Rocket) which manage work from a customer's perspective and capture customer based measures.
- Automation approaching 60% of all Orion withdrawals. **95% reduction in waste for automated transactions – eliminating 3 days rule breach.**
- Account reporting across ASIS and Orion. **90% waste reduction for account enquiries**
- Infrastructure support - IT issues resolved, automation of setting up new Client First members
- Data mining in order to learn and improve



Non-Platform DX | Low-code PaaS

What is Low Code?

- A **low-code** platform enable you to create applications through mostly graphical **user interfaces** and configuration
- It **reduces the amount** of traditional hand-coding, enabling **accelerated delivery** of business applications
- It enables a **wider-range of people** to contribute to the application's development, not just programmers
- It also **lowers the initial cost** of setup, training, and deployment



Our Low-Code Projects



Native Title Expense Tracker
(in production)



Trust Payment Portal
(in production)

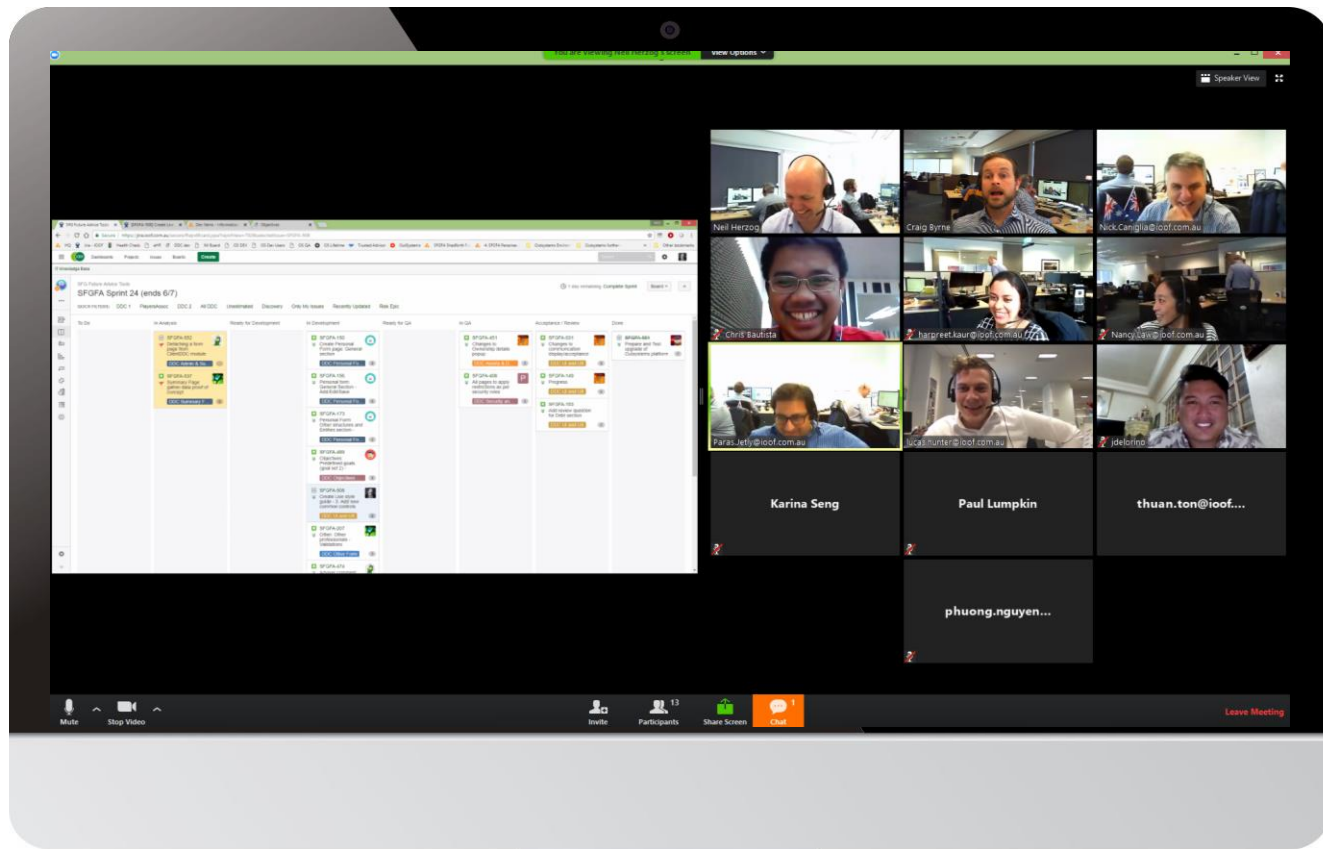


Digital Data Collection Portal
(in production)



Will Writing Application
(in production)

Low-Code Daily Stand-ups



SFG Digital Data Collection Portal

Business Problem

- SFG provides financial advice to a range of clients, some of whom are receiving inconsistent services and are disengaged with the advice process.
- The current data collection process is manual and paper-based, which is not engaging for clients and involves a lot of manual data entry for staff.

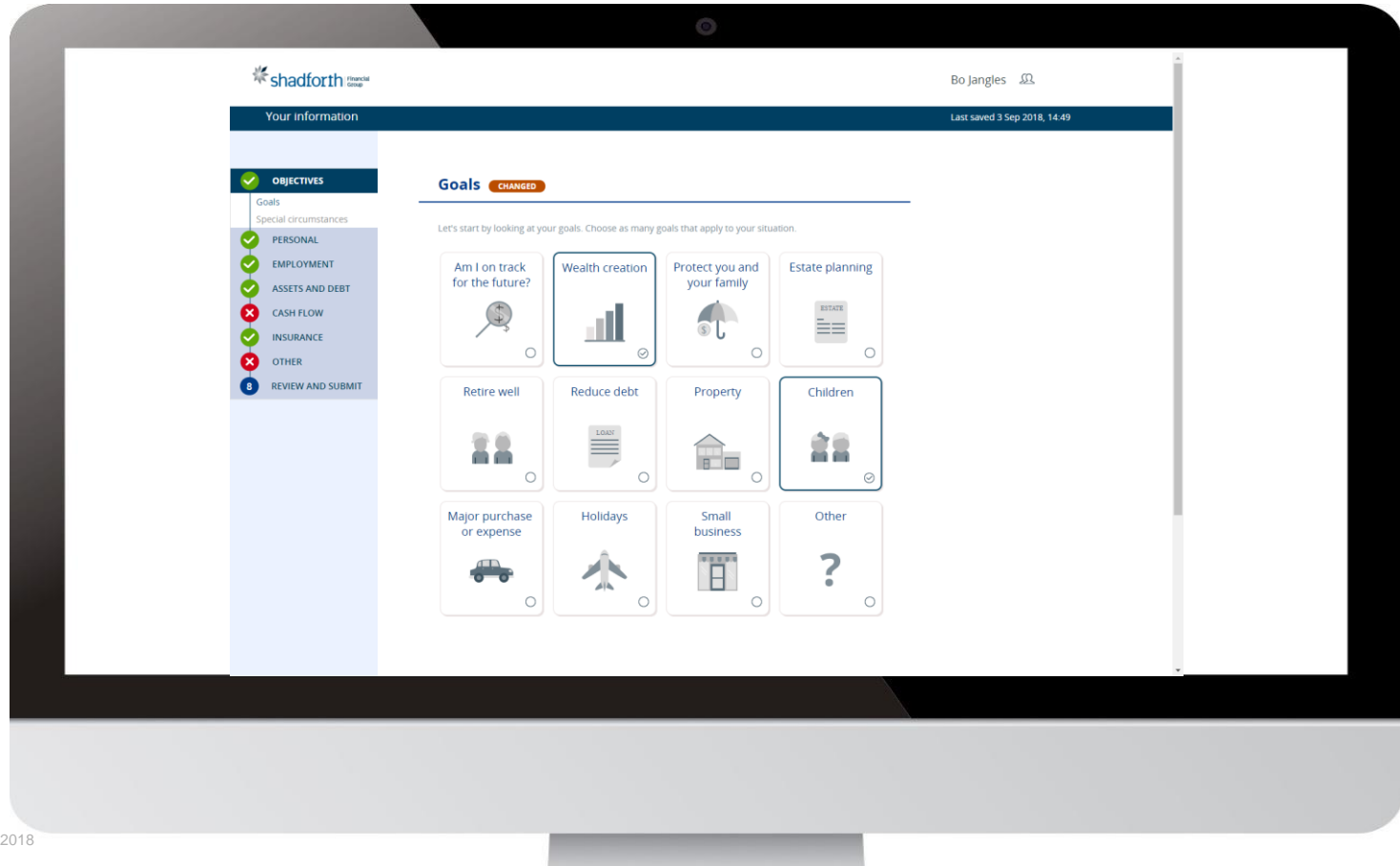
Solution

- Replace the existing manual paper-based client information gathering process with a secure online portal that enables the client to enter or review all of the information they want to share with their financial adviser.
- Integrate the new application with existing back office systems.

Benefits

- Improved client engagement and collaboration with their adviser.
- Improved back office efficiency by eliminating data entry and handoffs.
- Reduced risk of errors by removing manual data entry.

Digital Data Collection Portal (UI)



The screenshot displays the 'Goals' section of the Shadforth Financial Group Digital Data Collection Portal. The interface is clean and modern, with a dark blue header bar containing the Shadforth logo and the user's name 'Bo Jangles'. Below the header, a 'Your information' bar indicates the last save time as '3 Sep 2018, 14:49'.

On the left side, there is a vertical navigation menu with the following items:

- OBJECTIVES** (checked with a green checkmark)
- Goals
- Special circumstances
- PERSONAL** (checked with a green checkmark)
- EMPLOYMENT** (checked with a green checkmark)
- ASSETS AND DEBT** (checked with a green checkmark)
- CASH FLOW** (marked with a red X)
- INSURANCE** (checked with a green checkmark)
- OTHER** (marked with a red X)
- REVIEW AND SUBMIT** (marked with a blue circle containing the number 8)

The main content area is titled 'Goals' with a 'CHANGED' status indicator. It includes a sub-header 'Let's start by looking at your goals. Choose as many goals that apply to your situation.' Below this, there is a grid of 12 goal categories, each with an icon and a radio button for selection:

- Am I on track for the future?** (Icon: clock and magnifying glass)
- Wealth creation** (Icon: bar chart)
- Protect you and your family** (Icon: umbrella)
- Estate planning** (Icon: document labeled 'ESTATE')
- Retire well** (Icon: two people)
- Reduce debt** (Icon: document labeled 'LOAN')
- Property** (Icon: house)
- Children** (Icon: two people)
- Major purchase or expense** (Icon: car)
- Holidays** (Icon: airplane)
- Small business** (Icon: storefront)
- Other** (Icon: question mark)

Video 4 – Shadforth DDCP



Low-Code benefits

- ✓ Take advantage of digital transformation opportunities
- ✓ Develop production-ready systems quickly
- ✓ Modest learning curve
- ✓ Turn BA, UX, QA staff into developers
- ✓ Retain your most experienced staff by retraining them
- ✓ Bring your new graduates up to speed quickly
- ✓ Low-code PaaS allows you start with modest investment
- ✓ Cloud-based and on-premise deployment options
- ✓ Most cyber security challenges taken care of
- ✓ Ready-made UX patterns deliver better productivity
- ✓ Deploy to popular devices without recoding

Our points of differentiation

- We **in-source** our IT capability; most of our peers out-source
- We have an excellent **IT talent pool** to do complex work
- We have a **track record** of successful acquisitions and integration of their IT systems
- We are a mature, **agile** IT shop and **not siloed** like many others
- We have **streamlined processes** and minimal overheads
- We use **offshore** teams to **augment our capability**, not to replace it
- We use **up-to-date technologies**
- We give our staff **opportunities to innovate** (Hack Days)
- We develop **enterprise-grade systems** that are robust and scalable
- We **prioritise** our IT projects in **collaboration** with the business
- We spend our money wisely – **no waste!**



Questions?

Important disclaimer

Forward-looking statements in this presentation are based on IOOF's current views and assumptions and involve known and unknown risks and uncertainties, many of which are beyond IOOF's control and could cause actual results, performance or events to differ materially from those expressed or implied. These forward-looking statements are not guarantees or representations of future performance and should not be relied upon as such.

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Creating financial independence since 1846