



IOOF

Full
year
results

2019

Renato Mota CEO | David Coulter CFO





Business update | Renato Mota CEO

Resilience and agility in a changing environment

Financial highlights

- › Underlying NPAT up 3.4%
\$198.0 million
- › UNPAT from continuing operations up 5.2%
\$184.9 million
- › Statutory NPAT, including remediation
\$28.6 million
- › FUMA up 18.7%
\$149.5 billion
- › Attracting net inflows
 - Platform **\$1.4 billion**
 - Advice **\$520 million**
- › Total fully franked dividends per share
44.5cps, including **19.0cps** announced with this result

Stabilising IOOF

- › **30 June 2019 APRA key licence conditions:**
all requirements implemented
- › **Growing the business:** embedding ANZ Advice Licencees with contribution of \$16.1 billion FUMA in nine months
- › **Delivering for clients:**
 - Adviser NPS +17% (vs industry average of -30%)¹
 - #1 retail fund for MySuper one-year performance²
- › **Focusing on core:** divestment of Ord Minnett for the sale price of \$115 million
- › **Strengthening our governance capability:**
 - 3 new Directors appointed
 - 2 new Executives, senior management review underway
- › **Advice review undertaken:**
 - Remediation cost \$182.7 million
 - Program costs \$40.4 million

Strategic priorities – transforming with purpose

Stabilise

Progress made

Restoring trust

- Completed review of Risk & Compliance function
- New Chief Risk Officer appointed
- Reset of engagement with stakeholders

Accelerating governance

Advice review

- Implemented all 30 June APRA licence conditions
- All relevant Protecting your Super and Royal Commission recommendations are ready for adoption
- Independent advice review undertaken
- Provision of \$182.7 million for remediation and \$40.4 million in program costs

Transform

Building long-term scale benefits

- Continuing to work towards completion of the ANZ P&I business acquisition
- Open dialogue with APRA regarding new APRA approval process for change in control
- Integration of ANZ Advice Licensees (ANZ ALs)
- Progressing rationalisation of platform administration systems – end 2021 (Project Evolve)

Build client-centric business model

- Commitment to reinvention of advice
- ClientFirst remains a competitive advantage
- Delivering choice through open architecture, scale and diversity

Advice review undertaken

1 | Develop Key Risk Indicators

- › 17 KRIs identified for:
 - › Fees for no service/inadequate documentation
 - › Inappropriate advice
- › External sources of information to develop KRIs:
 - › ASIC Report 515
 - › KRIs utilised in the industry
 - › Other industry sources of information relating to adviser conduct and behaviour

2 | Identify target advisers

- › 67 target advisers identified across advice groups for detailed sample testing
- › Advice Groups included in advice review
 - › Bridges
 - › Consultum
 - › Lonsdale
 - › Shadforth
- › Total adviser population – 788 advisers

3 | Independent review of target adviser client files

- › Over 1,200 client files from 2015 – 2019 independently reviewed
- › Independent review conducted by PwC
 - › Sample size determined by independent reviewer as statistically significant

4 | Estimate remediation

- › Expected provision rate extrapolated across population of all 788 advisers
- › Consistent with RG 256, interest on remediation payments has been set at RBA cash rate + 6%

5 | Estimate program costs

- › Program costs have been calculated on a cost per file review basis for both inadequate documentation and inappropriate advice

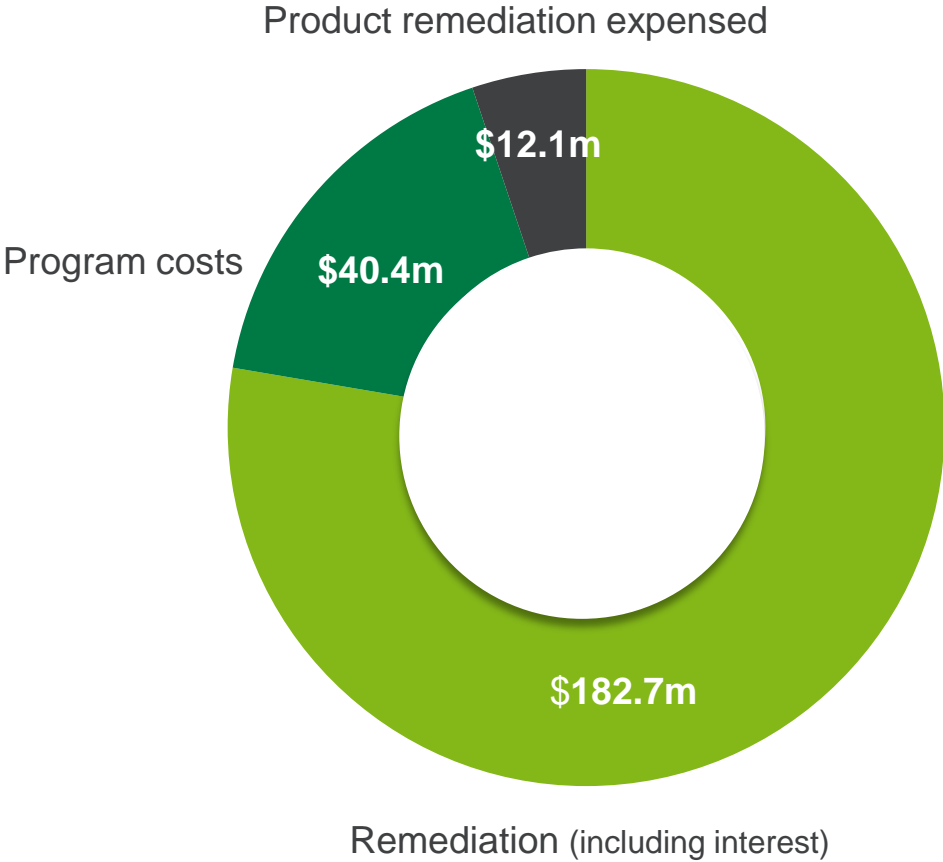
6 | Assess period to complete remediation payments

- › Multi-year program of work

Advice review undertaken – outcomes

Holding ourselves to higher standards
Ensuring obligations to clients are met

Provision component pre-tax	FY19 (\$m)
Remediation ¹	\$182.7m
Program costs ²	\$40.4m
Total advice remediation – provision	\$223.2m
Total product remediation³ – expensed in FY19	\$12.1m



1. Includes interest at RBA + 6%
2. Total advice remediation provision includes previous advice review cost estimate of \$20m - \$30m disclosed in February 2019 results presentation
3. Product remediation estimate of \$10m disclosed in February 2019 results presentation

Progress made on key APRA licence conditions

	Summary description	Due date required by a licence condition
	Split RSE Licence (RSEL) and RE Licence functions into distinct legal entities	
1	- IIML	31 December 2019
2	- AET	Implemented
3	- Hold separate board meetings to consider the interests of RSEs, separate from board meetings held for RE functions	Implemented, to be maintained
4	Implement and maintain a dedicated business function to support the AREs	Implemented, to be maintained
5	Move to majority independent directors and Chair of the AREs	Implemented, to be maintained
6	Appoint an independent expert to prepare an analysis in relation to the possible consolidation of RSEs	Subject to ANZ P&I acquisition
7	Amend the structure and composition of the ARE Board committees to comply with Prudential Standards	Implemented, to be maintained
	Clear action plan arising from the EY Independent Review into conflicts of interest and risk culture	
8	- Complete actions with 31 December 2018 due dates	Implemented
9	- Complete actions with 31 March 2019 due dates	Implemented
10	- Complete actions with 30 June 2019 due dates	Implemented
11	Provide regular reporting to APRA and meet monthly	Ongoing
12	Appoint an Independent Reviewer to report to APRA quarterly	Appointed and ongoing

- › Reset relationship with APRA, working constructively
- › Managed Action Plan progressing well and on track

Financial highlights

\$'m	FY19	FY18	Change on PCP	
Statutory NPAT	\$28.6m	\$88.3m	(\$59.7m)	-67.7%
Underlying NPAT	\$198.0m	\$191.4m	\$6.6m	3.4%
Underlying NPAT from continuing operations	\$184.9m	\$175.7m	\$9.1m	5.2%
Underlying EPS from continuing operations (cents)	52.8cps	52.6cps	0.2cps	0.3%
Cost to income ratio (%)	52.6%	52.3%	0.3%	0.5%
Dividend per share (cents)	44.5cps	54.0cps	(9.5cps)	-17.6%

Statutory profit includes

- › Remediation provision of \$156.2m after tax

Underlying NPAT from continuing operations:

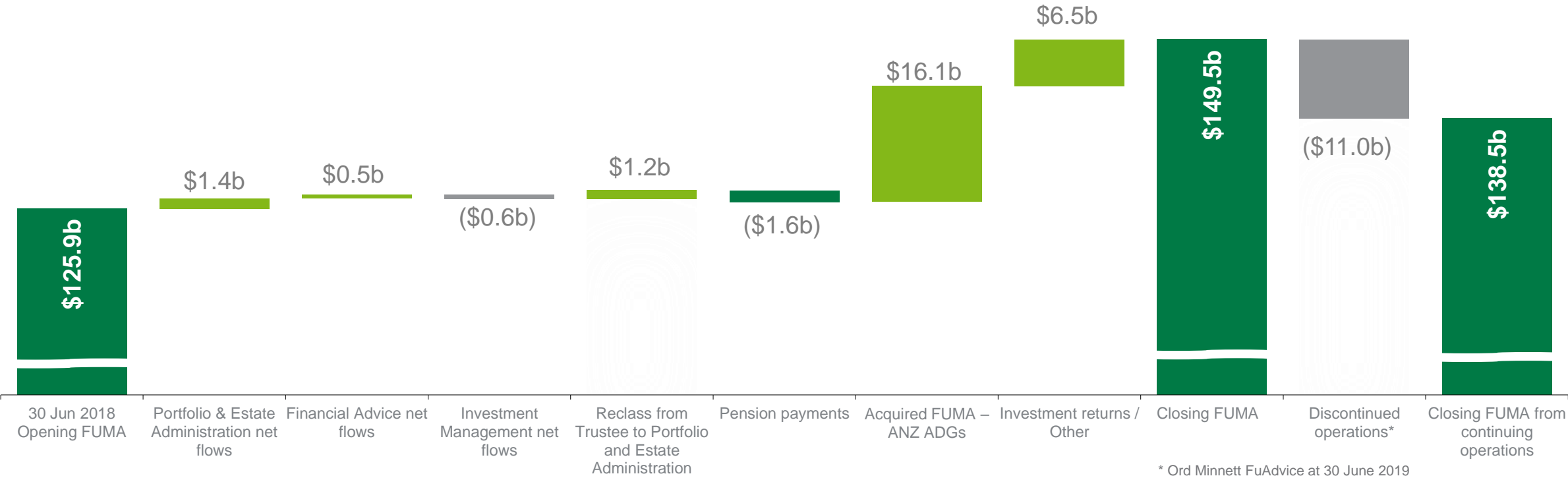
- › Excludes Ord Minnett
- › Includes 9 months ownership of ANZ ALs - (\$16m) after tax loss
- › Includes 7 months of ANZ P&I economic interest via 14.4% coupon rate, 2 months via 2% coupon rate - \$50m after tax

2H19 dividends - 19cps fully franked includes:

- › 12 cents final dividend - to account for the impact on Statutory NPAT of the provision for remediation
- › 7 cents special dividend – to reflect the economic performance of the business

Organic growth continues in challenging competitive environment

- › Resilient platform net inflows of **\$1.4 billion** despite industry headwinds
- › Advice net inflows of **\$0.5 billion** impacted by a third party product reprice - since matched by an equivalent offer
- › Reclassification of retail trustee funds under administration to Portfolio & Estate Administration following the sale of AET Corporate Trust



Business highlights – diversified business model catering to client needs

› Delivering solid performance in a challenging environment

Segment	Financial Advice	Portfolio & Estate Administration	Investment Management	Ex-ANZ Wealth Management
Highlights	<ul style="list-style-type: none"> › IOOF adviser net promotor score of +17% vs industry average of -30%¹ › Open architecture a key differentiator and provides choice to clients › Badged offering of BT platform launched in Oct 2018 with identical pricing for advisers and clients 	<ul style="list-style-type: none"> › \$1.4 billion in net inflows › Re-launch of Pursuit Focus › Expansion of ClientFirst operating model › Pre-release of ‘Evolve’ platform › Investment in IT to drive efficiencies and lower costs 	<ul style="list-style-type: none"> › Top retail fund for MySuper performance² › 90% of funds above median over 7 years³ › Complementary business with no exposure to institutional volatility and key person risk 	<ul style="list-style-type: none"> › ANZ ALs successfully transferred to IOOF › Integration of ANZ ALs well underway with a view to adopt best of breed solutions › Debt note interest of \$72.3 million received for the 9 months to 30 Jun 2019
UNPAT*	\$58.2m	\$81.5m	\$36.1m	\$35.6m



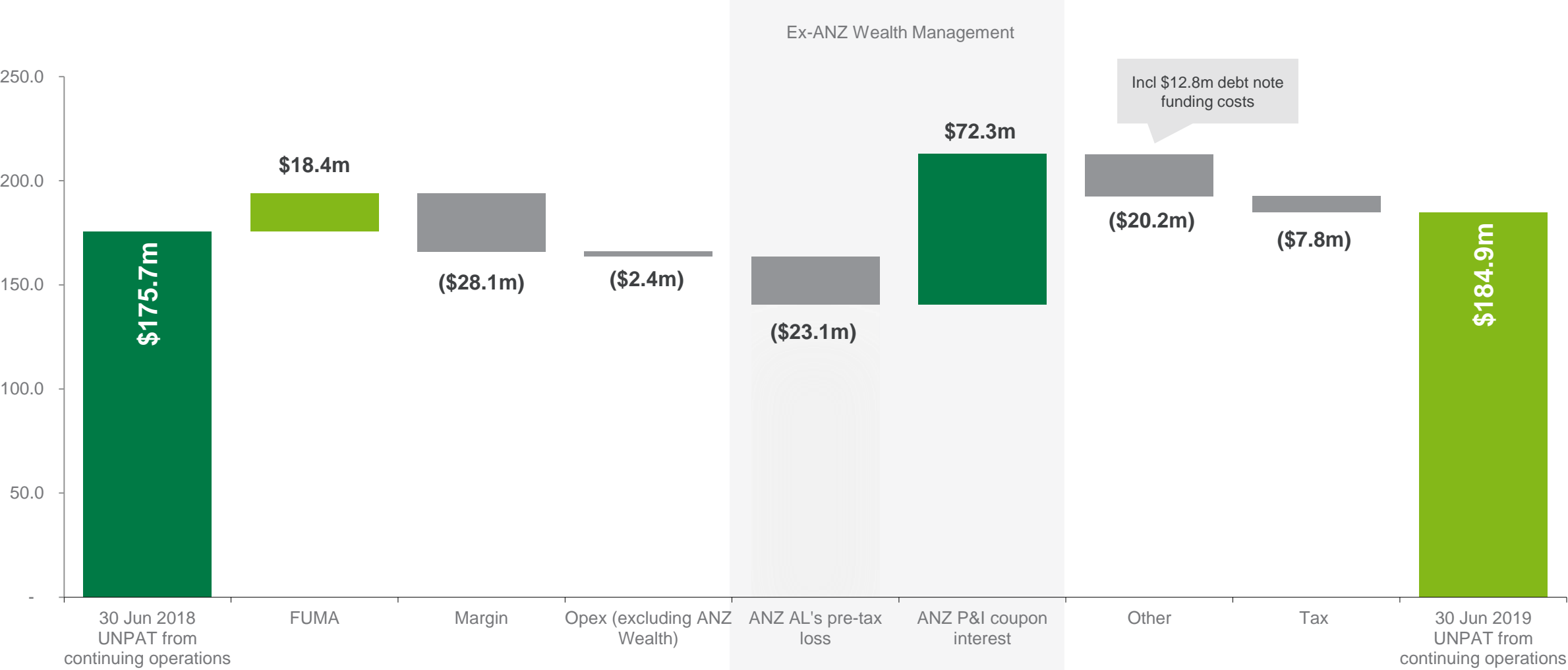
Financial results | David Coulter CFO

Profit and loss breakdown

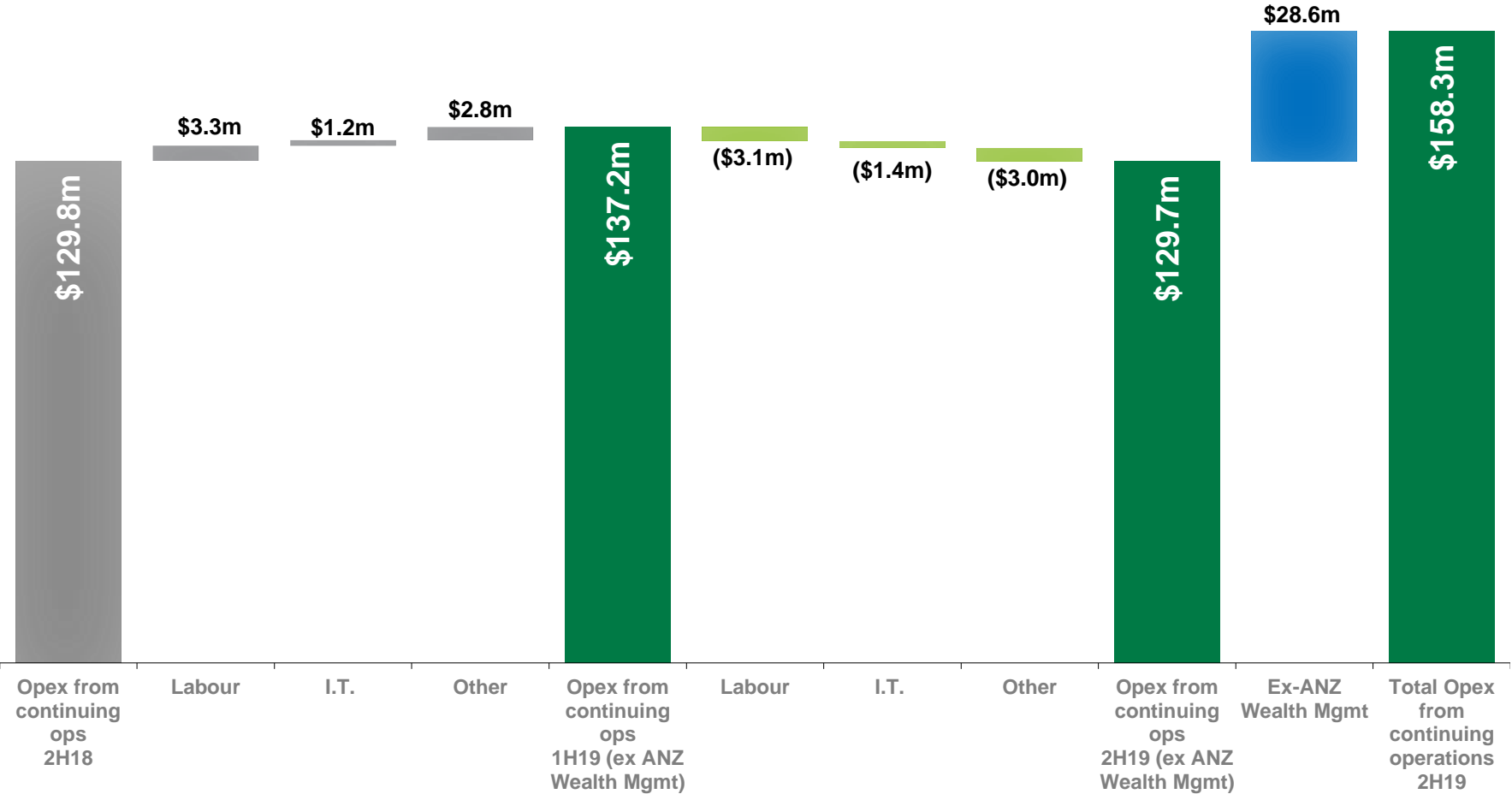
	FY19	FY18	Change on pcg		
			\$'m	%	
Gross Margin	499.2	496.5	2.7	1%	› \$4.1b growth in average FUMA ex ANZ ALs v pcg
Other Revenue	15.5	9.5	6.0	64%	
Operating Expenditure	(308.7)	(264.5)	(44.1)	-17%	› FY19 Ex ANZ Wealth Management operating expenditure (\$41.7m)
Equity Accounted Profits	1.0	2.5	(1.5)	-61%	
Net Non Cash	(13.9)	(10.2)	(3.7)	-36%	
Underlying EBITA	193.1	233.7	(40.6)	-17%	
Net Interest	64.2	6.7	57.5	861%	› FY19 ANZ P&I economic interest via coupon \$72.3m; Debt note funding costs (\$12.8m)
Income Tax & NCI	(72.5)	(64.7)	(7.8)	-12%	
UNPAT from continuing operations	184.9	175.7	9.1	5%	
Discontinued Operations	13.1	15.7	(2.6)	-16%	› FY19 Ord Minnett UNPAT \$13.4m; FY19 AET Corporate Trust UNPAT (\$0.3m)
Underlying NPAT	198.0	191.4	6.6	3%	

FY19 and FY18 financial information presented on a continuing basis unless otherwise stated.

Group UNPAT analysis



Disciplined management of costs



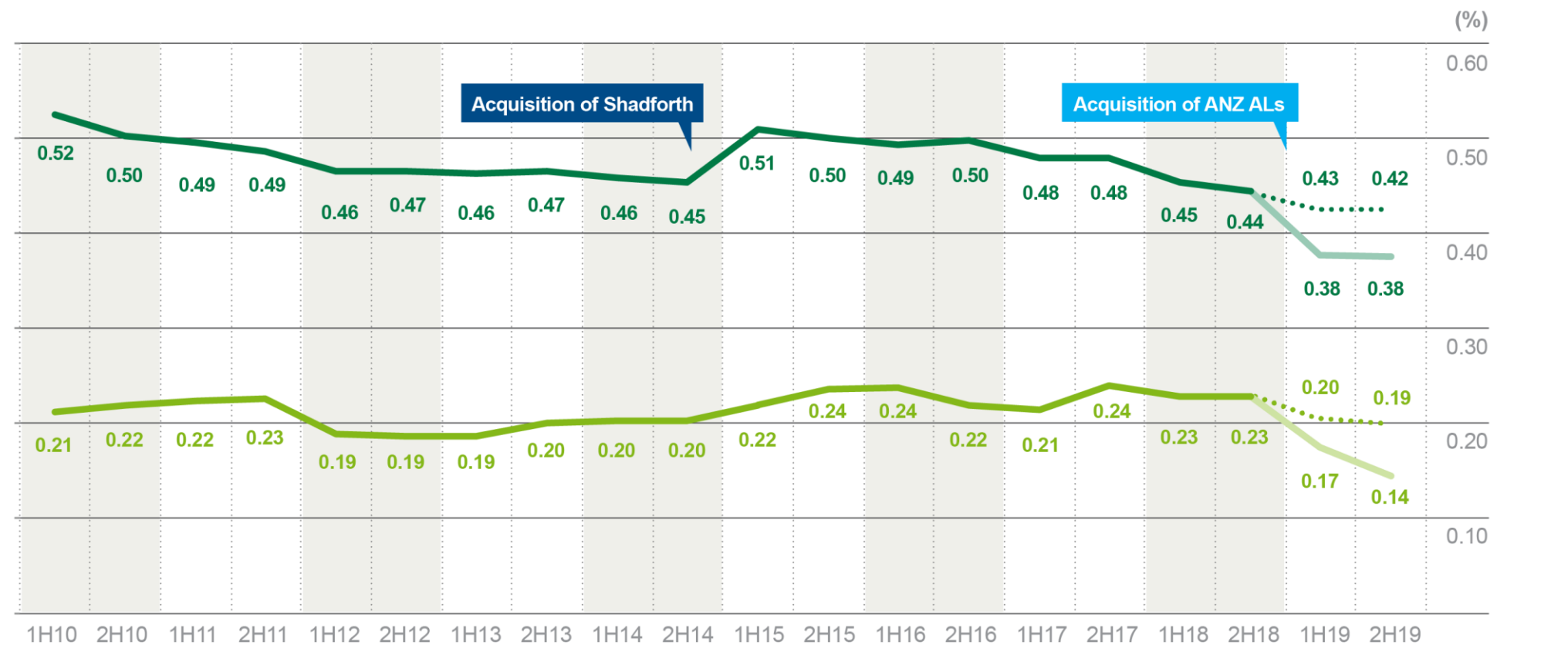
- › Labour decrease in line with Executive STI constraint
- › Ongoing investment in technology to improve client service and efficiency
- › Ex-ANZ Wealth Management expenses broadly in line with 1H19 run rate - substantial opportunity to streamline the business

Group margins – longer time series analysis

Gross margin impacted by:

- › long-term transition to contemporary products and services; and
- › competitive pricing from a third party administrator which has since been matched by an equivalent offer

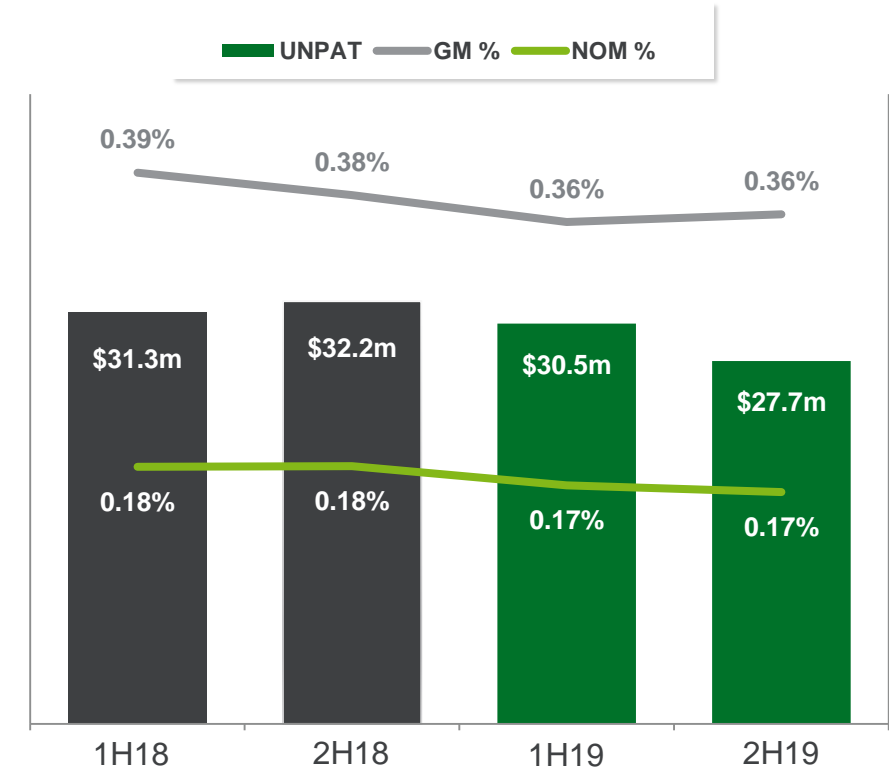
Net operating margin excluding loss making ANZ ALs remains in line



Financial Advice | Open architecture

- › Open architecture allows IOOF to capture significant additional FUAdvice and revenue
- › Gross margin has been adversely impacted by repricing of third party administrator revenue share
- › Reduced operating expenditure to pcip reflects lower labour costs via corporate recharge
- › Revenue and direct costs increased proportionally following adoption of AASB 15 *Revenue from Contracts with Customers* (1H19 restated – Nil UNPAT impact)

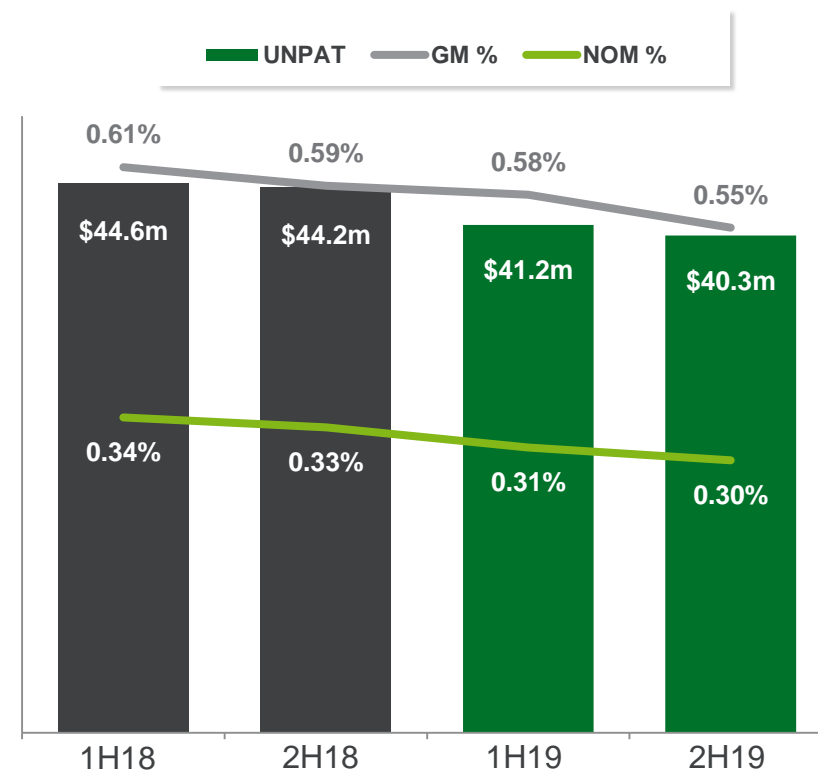
\$m	FY19	FY18	2H19	1H19	2H18	1H18
Revenue	388.4	320.6	193.3	195.1	161.0	159.6
Direct Costs	(199.9)	(124.3)	(102.5)	(97.4)	(63.2)	(61.2)
Gross Margin (GM)	188.5	196.3	90.8	97.7	97.9	98.4
GM %	0.36%	0.39%	0.36%	0.36%	0.38%	0.39%
Other Revenue	7.4	6.5	3.1	4.3	2.4	4.0
Share of equity profit/loss	0.0	0.7	0.0	0.0	0.4	0.4
Operating Expenditure	(108.2)	(109.2)	(52.6)	(55.6)	(52.6)	(56.6)
Net Non Cash	(4.4)	(3.6)	(1.9)	(2.5)	(2.0)	(1.6)
Net Interest	0.1	0.1	0.1	0.0	0.0	0.0
Income Tax Expense/N.C.I	(25.3)	(27.3)	(11.8)	(13.5)	(13.9)	(13.3)
UNPAT	58.2	63.6	27.7	30.5	32.2	31.3
Average FUAdv (\$b)	52.1	50.9	50.3	54.0	52.2	49.6
NOM %	0.17%	0.18%	0.17%	0.17%	0.18%	0.18%



Portfolio and Estate Administration* | Embedding ClientFirst

- › Significant organic growth in average FUAdmin counter to generally observed trend in retail platforms
- › No revenue derived from cash spread
- › Operating expenditure demonstrates return to normal half yearly run rate for segment (1H19 impacted by ClientFirst investment)
- › Significant employee alignment via opt in to equity based STIs (initiated FY19) impacted non cash items

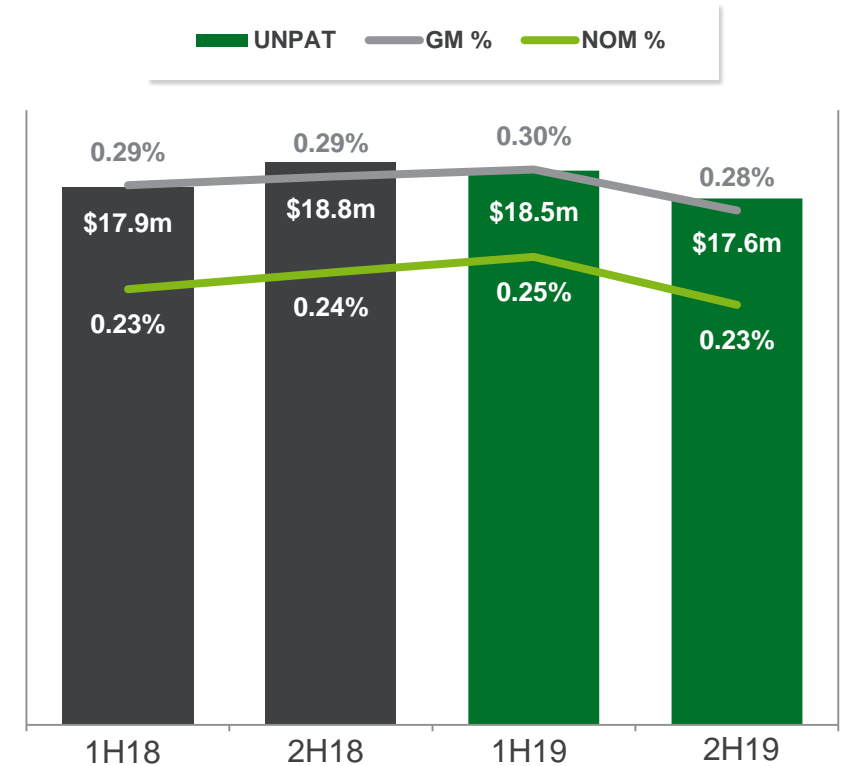
\$m	FY19	FY18	2H19	1H19	2H18	1H18
Revenue	414.6	420.7	203.4	211.2	209.1	211.6
Direct Costs	(180.6)	(183.5)	(89.8)	(90.8)	(90.9)	(92.6)
Gross Margin (GM)	234.0	237.2	113.6	120.4	118.2	119.0
GM %	0.57%	0.60%	0.55%	0.58%	0.59%	0.61%
Other Revenue	-	0.1	-	-	-	0.1
Operating Expenditure	(108.9)	(104.9)	(52.3)	(56.6)	(52.2)	(52.7)
Net Non Cash	(7.7)	(5.1)	(3.4)	(4.3)	(2.6)	(2.5)
Net Interest	0.0	0.0	0.0	0.0	0.0	0.0
Income Tax Expense/N.C.I	(35.9)	(38.5)	(17.6)	(18.3)	(19.1)	(19.3)
UNPAT	81.5	88.8	40.3	41.2	44.2	44.6
Average FUAdm (\$b)	41.3	39.3	41.8	40.8	40.1	38.4
NOM %	0.30%	0.34%	0.30%	0.31%	0.33%	0.34%



Investment Management | Consistent complementary business

- › Multi-manager business model benefits from platform scale without being exposed to institutional volatility and key person risk
- › Lower operating expenditure resulted from reconfiguration following the retirement of the former CIO
- › Significant employee alignment via opt in to equity based STIs (initiated FY19) impacted non cash items

\$m	FY19	FY18	2H19	1H19	2H18	1H18
Revenue	102.7	73.4	52.8	50.0	37.0	36.3
Direct Costs	(39.6)	(11.5)	(22.4)	(17.2)	(5.6)	(5.9)
Gross Margin (GM)	63.1	61.9	30.4	32.7	31.5	30.4
GM %	0.29%	0.29%	0.28%	0.30%	0.29%	0.29%
Share of equity profit/loss	1.0	1.8	0.5	0.4	0.8	1.0
Operating Expenditure	(10.7)	(11.4)	(5.6)	(5.2)	(5.5)	(5.9)
Net Non Cash	(1.8)	(0.6)	(0.4)	(1.4)	(0.3)	(0.3)
Income Tax Expense/N.C.I	(15.5)	(15.0)	(7.4)	(8.2)	(7.7)	(7.3)
UNPAT	36.0	36.7	17.6	18.5	18.8	17.9
Average FUM (\$b)	22.0	21.2	22.2	21.8	21.5	20.8
NOM %	0.24%	0.24%	0.23%	0.25%	0.24%	0.23%



Ex-ANZ Wealth Management | Successful acquisition bolsters growth

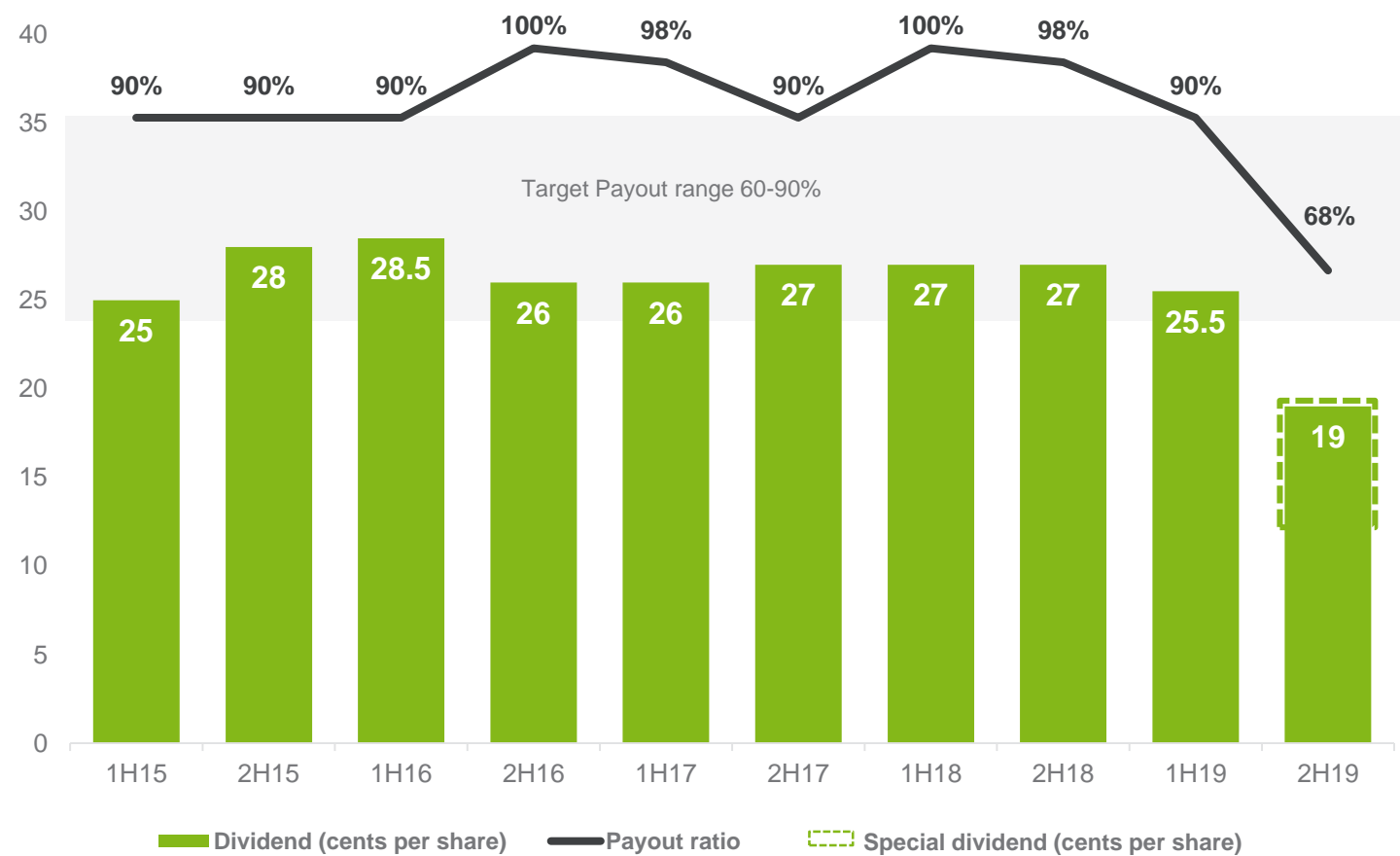
\$m	FY19	2H19	1H19
Revenue	152.2	102.3	49.9
Direct Costs	(139.6)	(93.9)	(45.7)
Gross Margin (GM)	12.5	8.4	4.1
GM %	0.10%	0.10%	0.10%
Other Revenue	6.2	4.7	1.5
Operating Expenditure	(41.7)	(28.6)	(13.1)
Net Non Cash	(0.1)	(0.1)	(0.0)
Net Interest	72.3	43.5	28.9
Income Tax Expense/N.C.I	(13.7)	(7.3)	(6.4)
UNPAT	35.6	20.6	15.0
Average FUM (\$b)	16.8	16.7	17.0
NOM %	-0.18%	-0.19%	-0.17%

- › Substantial opportunity to streamline the business and adopt best of breed solutions irrespective of origin
- › Margin impact of loss making acquisition flows through to Group, but will be offset in FY20 by synergies and business mix upon acquisition of ANZ P&I
- › Coupon reset to 2% from 11 May 2019

Rewarding shareholders and retaining flexibility

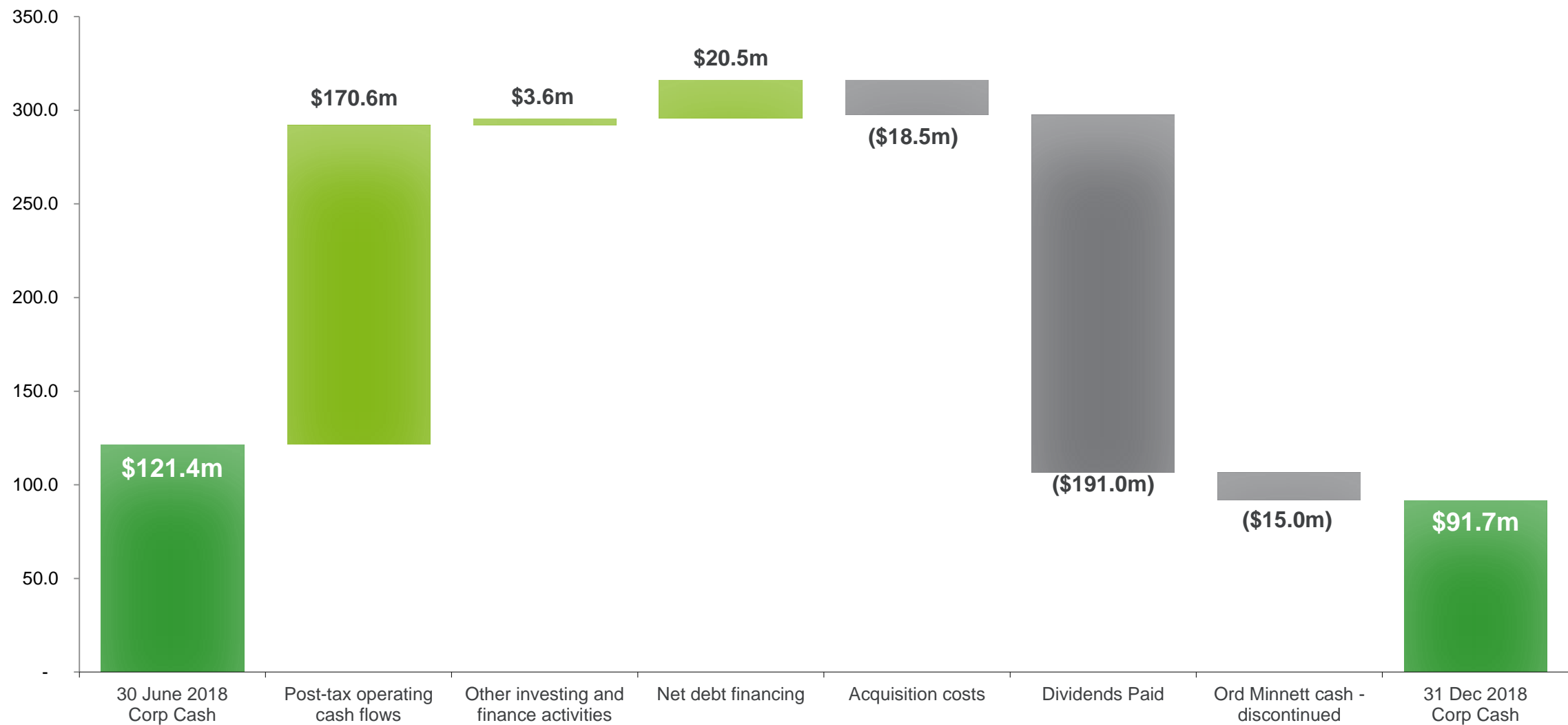
Capital management framework			
Objectives	Maximising returns for shareholders	Maintaining financial strength	Optimise financial flexibility
Target	60-90% payout ratio	Prudent liquid asset backing	1–1.3 times net debt:EBITDA
Considerations	<ul style="list-style-type: none">› There are a number of near-term capital and cash flow management considerations which require flexibility<ul style="list-style-type: none">• Payment of remediation• Divestment of Ord Minnett• Completion of ANZ P&I• Supporting transformation and a changing environment (e.g. additional regulatory changes)› IOOF will look to optimise the balance sheet once clarity is achieved on ANZ P&I. Capital management initiatives will be considered, including buy-back(s), additional special dividend(s), etc.		
	Prudent capital structure while rewarding shareholders		

Prudent capital management and returns to shareholders



- › Total dividend of **19cps** fully franked includes:
 - Final dividend of 12cps - to account for the impact on Statutory NPAT of the provision for remediation
 - Special dividend of 7cps - to reflect the economic performance of the business
- › Dividend **payout ratio of 79%** in FY19 - within stated payout ratio of 60-90%
- › Payment date
 - Final dividend **27 September** 2019
 - Special dividend **27 September** 2019

Strong operating cash flow and prudent capital management





Priorities and outlook | Renato Mota CEO

Why advice-led? – significant market opportunity



Professional and Sustainable

IOOF value of financial advice¹



Adviser Alpha

Potential value-add relative to average client experience is about **3%**²

Societal need for advice

48% of Australian adults' financial advice needs are unmet³

Increasing per capita wealth

Average per capita net wealth was **30.5%** higher in 2017 than it was in 2007⁴



Advice advocacy

Adviser wellbeing

Transition and succession

Insights

Governance

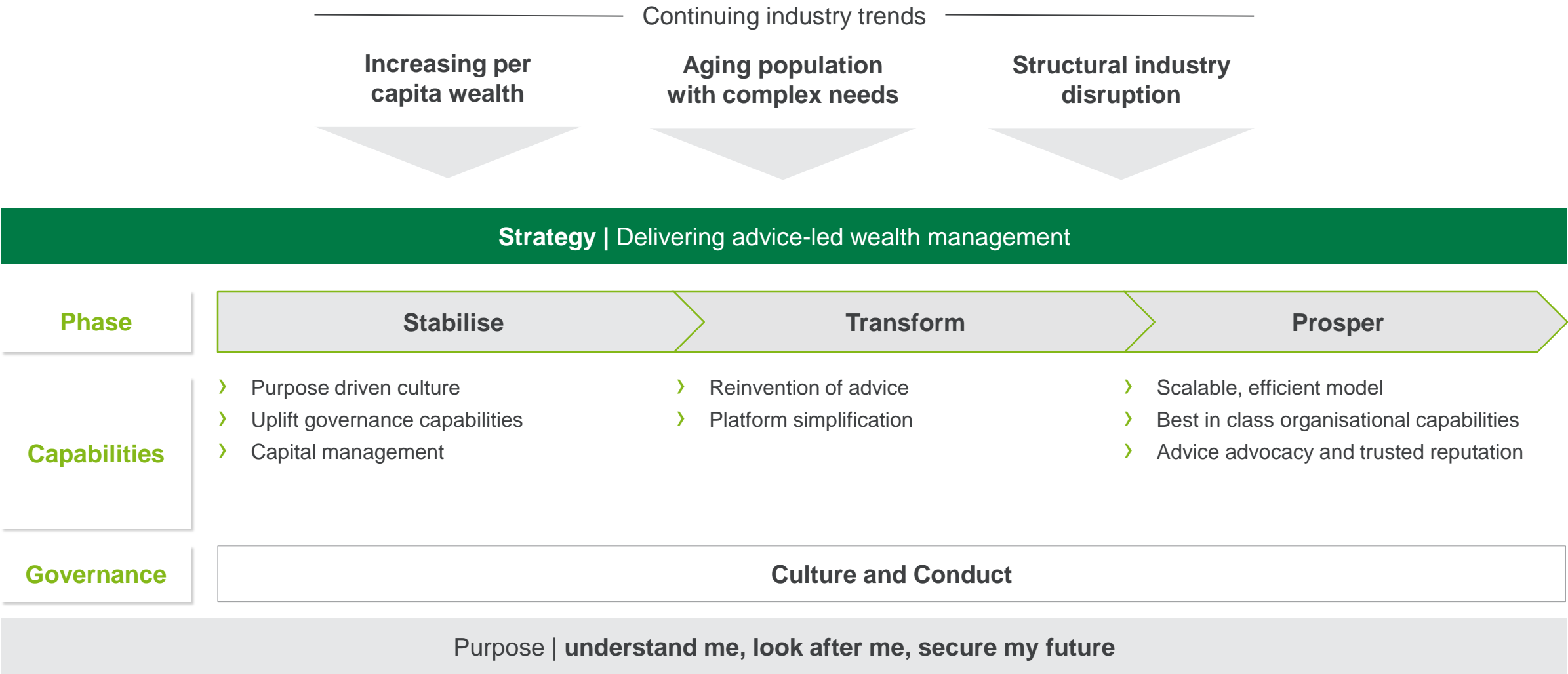
Reduction in numbers of advisers in the industry

Withdrawal of institutional support for financial advice

Reinvention of advice delivery (unbundling advice)

Increasing industry standards and regulatory compliance

Clarity of purpose and advice-led strategy



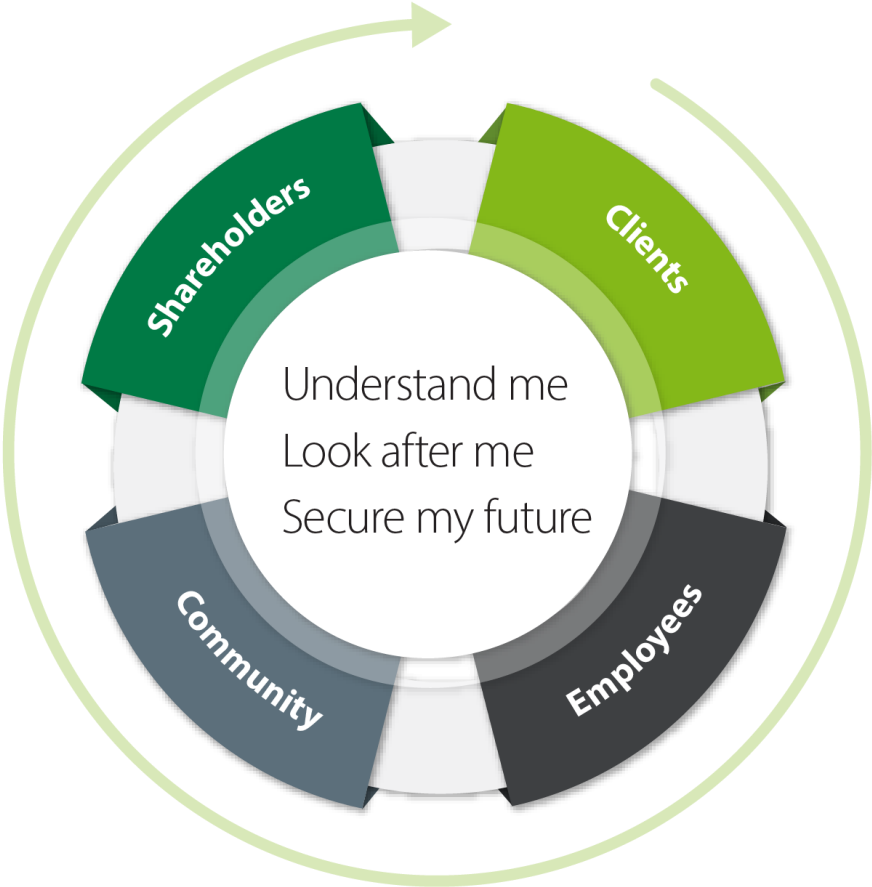
Purpose driven governance and culture

Executive Team appointments

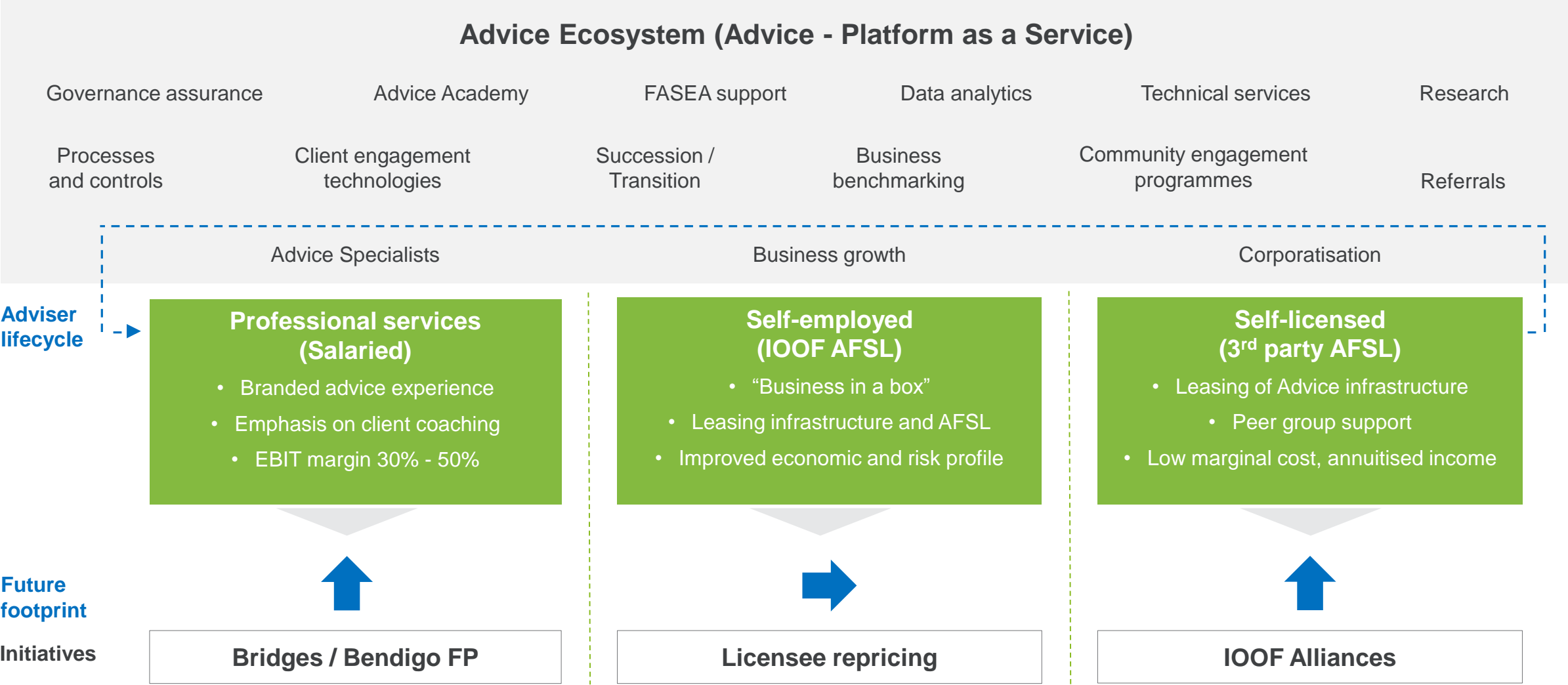
Amanda Noble Chief Risk Officer	EQT NAB ANZ
Melissa Walls Chief People Officer	AusNet NAB

Board appointments

Michelle Somerville IOOF Holdings Ltd Non-Executive Director	GPT UniSuper Bank Australia
Andrew Bloore IOOF Holdings Ltd Non-Executive Director	SuperIQ Guildlink
Lindsay Smartt IIML, IOOF Limited Non-Executive Director	BTFG Fidelity Life Insurance NZ



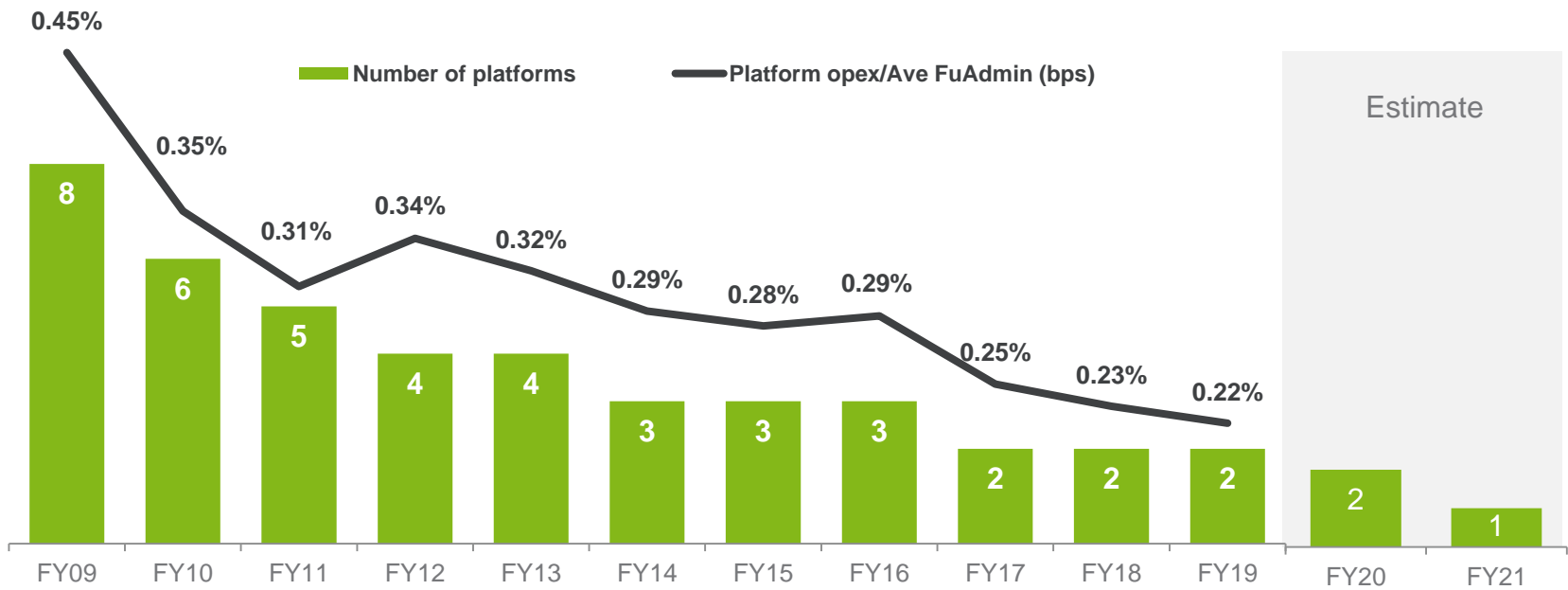
Reinvention of advice business models



Transforming through simplification



Executing on known simplification path



- > Simplification to single platform – expected to deliver approx. \$10m p.a. in recurring cost savings post completion
- > Contemporary technology, functionality and price
- > Creation of modern, flexible, single operating admin system
- > Leading service delivery and cost to serve

The IOOF difference

Industry challenges

- › Advice model reshaping
- › BOLRs
- › Vertical integrated models challenged
- › Brand risk
- › Grandfathered commissions
- › System complexity
- › Legacy product margins

IOOF position

- › Diversified advice-led business with scale
- › Modest exposure, at market multiples
- › Unique open architecture model offering choice
- › Segmented multi-brand strategy
- › Immaterial impact to IOOF - \$7 million
- › Simplification underway - 1 product administration system by 2021
- › Legacy products are ~15% of total Funds under Administration


Opportunities underpinned by diversified business model

FY20 financial information update

Previously announced

- › Protecting Your Super impact expected to be \$8 million in FY20. This includes removal of exit fees, 3% cap on fees and changes to inactive low balance accounts
- › Impact of BT repricing expected to be \$12 million (additional \$4m) in FY20
- › Governance investment expected to cost an additional \$10 million in FY20
- › Total expected Portfolio & Estate Administration gross margin reduction of 5bps in FY20 (including impact of Protecting Your Super and repricing)
- › Full year contribution from ANZ ALs
- › Ord Minnett – post-tax profit on divestment of approximately \$83 million
- › Project Evolve underway to simplify two platforms into one
- › Committed to ANZ One Path Pensions and Investments (ANZ P&I) transaction

Business strength: Leading advice-led wealth manager

Resilient and diverse wealth management business	<ul style="list-style-type: none">› Financial advice› Portfolio and estate administration› Investment management
Building long-term scale benefits	<ul style="list-style-type: none">› \$149.5 billion in FUMA› 2nd largest advice business with 1,495 advisers¹› Emerging opportunities from structural industry disruption
Positive industry fundamentals	<ul style="list-style-type: none">› Systems growth 8-10% CAGR› Societal need for financial advice› Ageing population with complex needs that remain unmet› Increasing per capita wealth
Financially strong	<ul style="list-style-type: none">› \$170.6 million operating cash flow before ANZ P&I› Prudent capital management› Low capital intensity
Delivering for shareholders	<ul style="list-style-type: none">› Transforming with purpose› Long-term focus› Continuing to maximise return to shareholders
IOOF's purpose	<div><div><div>understand me</div><div>look after me</div><div>secure my future</div></div><div> clients</div><div> employees</div><div> community</div><div> shareholders</div></div>

Questions

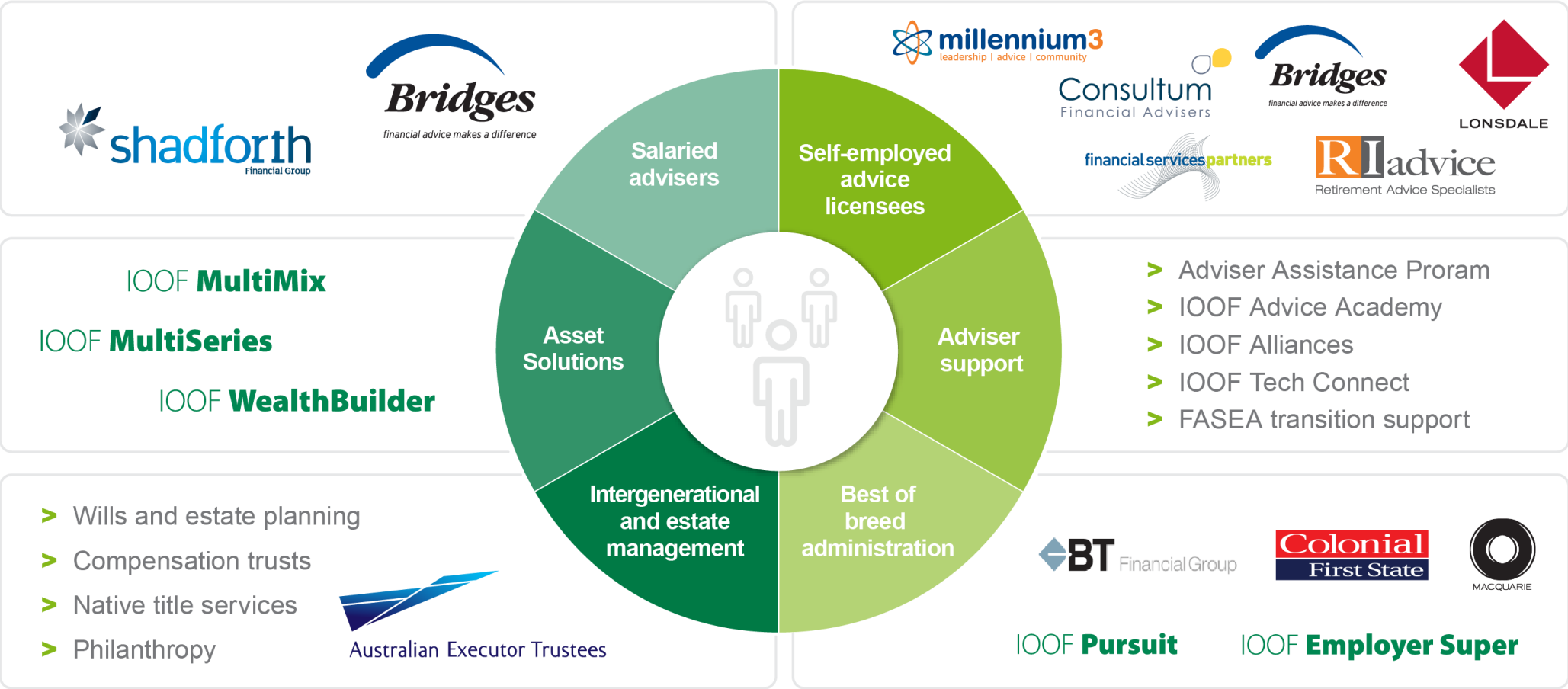




An aerial photograph of a sandy beach with a row of colorful beach huts. The huts are in various colors including red, blue, yellow, and white, some with stripes. The ocean is a vibrant turquoise with white foam from the waves washing onto the shore. A wooden staircase leads up from the beach into some greenery at the top of the frame.

Appendices

Appendix A | Diversified business model focused on client outcomes



Appendix B | Statutory NPAT reconciliation

	30 June 2019 (\$'m)	30 June 2018 (\$'m)
Profit attributable to Owners of the Company	28.6	88.3
Discontinued operations	-70.7	17.1
Profit from continuing operations attributable to Owners of the Company	-42.1	105.4
Underlying net profit after tax (UNPAT) adjustments:		
Reverse the impact of:		
Amortisation of intangible assets	37.7	37.4
Acquisition costs - Acquisition advisory	2.5	5.4
Acquisition costs - Integration preparation	20.8	5.0
Acquisition costs - Finance costs	0.4	6.7
Onerous contracts	0.0	2.3
Termination payments	2.0	2.0
Profit on divestment of assets	-0.4	-2.8
Non-recurring professional fees (recovered)/paid	2.0	-0.9
Impairment of goodwill	13.9	28.3
Unwind of deferred tax liability recorded on intangible assets	-10.2	-10.2
One off remediation costs	235.3	0.0
Other	0.9	1.2
Income tax attributable	-77.8	-4.2
UNPAT from continuing operations	184.9	175.7
UNPAT from discontinued operations	13.0	15.7
UNPAT	198.0	191.4

Appendix C | Discontinued operations

\$'m	FY19	FY18		2H19	1H19	2H18	1H18
Ord Minnett							
Revenue	65.4	59.7		32.8	32.6	31.3	28.4
Direct Costs	(35.2)	(28.8)		(17.6)	(17.6)	(16.1)	(12.7)
Gross Margin (GM)	30.2	30.9		15.2	15.0	15.1	15.7
GM %	0.31%	0.36%		0.30%	0.32%	0.35%	0.37%
Other Revenue	37.8	38.1		20.4	17.4	19.3	18.8
Operating Expenditure	(41.2)	(40.4)		(21.9)	(19.2)	(20.5)	(19.9)
Net Non Cash	(0.6)	(0.7)		(0.4)	(0.3)	(0.3)	(0.3)
Net Interest	0.4	0.6		0.2	0.3	0.4	0.2
Income Tax Expense/N.C.I	(13.2)	(14.0)		(6.7)	(6.4)	(6.8)	(7.2)
UNPAT	13.4	14.5		6.8	6.6	7.2	7.3
Average FUA (\$'b)	9.7	8.6		10.1	9.2	8.8	8.4
Net Operating Margin %	0.28%	0.33%		0.27%	0.28%	0.32%	0.34%
Corporate Trust							
Revenue	6.3	10.0		2.0	4.4	5.2	4.8
Direct Costs	(4.7)	(3.6)		(1.9)	(2.8)	(1.5)	(2.1)
Gross Margin (GM)	1.6	6.4		0.0	1.5	3.7	2.7
GM %							
Operating Expenditure	(1.8)	(4.8)		(0.1)	(1.7)	(2.3)	(2.4)
Net Non Cash	(0.0)	-		-	(0.0)	-	-
Net Interest	0.0	0.0		-	0.0	0.0	0.0
Income Tax Expense/N.C.I	0.0	(0.5)		-	0.0	(0.4)	(0.1)
UNPAT	(0.3)	1.2		(0.1)	(0.2)	1.0	0.2

Appendix D | Portfolio and Estate Administration reconciliation

\$'m	FY19	FY19	Total FY19		FY18	FY18	Total FY18
	Platform	Retail trustee	Portfolio & Estate Admin		Platform	Retail trustee	Portfolio & Estate Admin
Revenue	383.3	31.3	414.6		393.2	27.5	420.7
Direct Costs	(180.4)	(0.2)	(180.6)		(183.2)	(0.3)	(183.5)
Gross Margin (GM)	202.9	31.1	234.0		210.0	27.2	237.2
Other Revenue	-	-	-		0.1	-	0.1
Operating Expenditure	(91.6)	(17.3)	(108.9)		(89.5)	(15.4)	(104.9)
Net Non Cash	(6.8)	(0.9)	(7.7)		(4.4)	(0.6)	(5.1)
Net Interest	0.0	-	0.0		0.0	-	0.0
Income Tax Expense/N.C.I	(32.1)	(3.8)	(35.9)		(35.1)	(3.4)	(38.5)
UNPAT	72.4	9.0	81.5		81.0	7.8	88.8

Appendix E | Segment performance – corporate and other

\$'m	FY19	FY18		2H19	1H19	2H18	1H18
Corporate							
Revenue	0.5	0.5		0.2	0.2	0.3	0.3
Direct Costs	0.4	0.4		0.2	0.2	0.1	0.2
Gross Margin (GM)	0.9	0.9		0.4	0.4	0.4	0.5
Other Revenue	2.0	3.2		0.8	1.2	1.5	1.6
Operating Expenditure	(39.1)	(39.1)		(19.2)	(19.9)	(19.6)	(19.5)
Net Non Cash	0.0	(1.0)		0.7	(0.7)	(0.4)	(0.6)
Net Interest	(8.2)	6.6		(7.0)	(1.2)	5.7	0.9
Income Tax Expense/N.C.I	18.0	16.1		9.5	8.5	5.5	10.6
UNPAT	(26.4)	(13.3)		(14.8)	(11.7)	(6.8)	(6.5)

Appendix F

Gross Margin

Management and Service fees revenue	406.2	95.7	372.7	145.9	-
Other Fee Revenue	8.4	8.4	15.7	6.3	0.5
Service and Marketing fees expense	(175.4)	(34.2)	(183.5)	(139.4)	0.4
Other Direct Costs	(5.1)	(6.7)	(16.4)	(0.3)	(0.0)
Amortisation of deferred acquisition costs	(0.2)	-	(0.0)	-	-

Total Gross Margin

Other Revenue

Stockbroking revenue	-	-	4.7	0.0	-
Stockbroking service fees	-	-	(1.2)	-	-
Dividends and distributions received	-	-	0.0	-	1.2
Net fair value gains/(losses) on other financial assets at fair value through profit or loss	-	-	-	-	0.1
Profit on sale of financial assets	49.0	-	(0.0)	-	-
Other revenue	-	-	4.0	6.2	0.3
Other Revenue adjustments	(49.0)	-	0.0	-	0.4

Total Other Revenue

Equity Accounted Profits

Share of profits of associates and jointly controlled entities accounted for using the equity method	-	1.0	0.0	-	-
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Total Equity Accounted Profits

Operating Expenditure

Salaries and related employee expenses	(32.4)	(4.3)	(65.3)	(22.6)	(71.6)
Employee defined contribution plan expense	(2.4)	(0.3)	(4.6)	(1.5)	(6.3)
Information technology costs	(1.1)	(0.4)	(8.4)	(6.5)	(20.3)
Professional fees	(0.3)	(0.3)	(2.4)	(2.4)	(4.4)
Marketing	(0.9)	(0.1)	(5.2)	(2.6)	(1.9)
Office support and administration	(0.3)	(0.1)	(3.6)	(3.1)	(8.6)
Occupancy related expenses	(0.2)	(0.0)	(4.7)	(1.8)	(11.7)
Travel and entertainment	(1.2)	(0.1)	(1.2)	(1.3)	(2.3)
Corporate recharge	(70.1)	(5.1)	(12.8)	-	88.0

Total Operating Expenditure

Loss on disposal of non-current assets	-	-	-	-	(0.1)
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Total Operating Expenditure

Net non cash (Ex. Amortisation from acquisitions)

Share based payments expense	(1.9)	(1.1)	(1.7)	(0.0)	0.0
Depreciation of property, plant and equipment	(5.1)	(0.7)	(2.6)	(0.1)	(0.0)
Amortisation of intangible assets - IT development	(0.7)	-	-	-	-

Total Net non cash (Ex. Amortisation from acquisitions)

Net Interest

Interest income on loans to directors of controlled and associated entities	-	-	-	-	0.2
Interest income from non-related entities	0.0	-	0.1	72.4	4.3
Finance Costs	-	-	(0.0)	(0.0)	(12.8)

Total Net Interest

Income Tax & NCI

Non-controlling Interest	-	-	0.0	0.1	-
Income tax expense net	(35.9)	(15.5)	(25.3)	(13.8)	18.0

Total Income Tax & NCI

Underlying NPAT excluding Discontinued Operations

Discontinued Operations - Corporate Trust

Discontinued Operations - Ord Minnett

Underlying NPAT (pre-amortisation of intangible assets)

FY19	FY19	FY19	FY19	FY19	FY19 GROUP CONTINUING TOTAL \$'m	FY18 GROUP CONTINUING TOTAL \$'m
P&EA \$'m	IM \$'m	FAD \$'m	Ex-ANZ WM \$'m	Corp \$'m		
406.2	95.7	372.7	145.9	-	937.6	706.1
8.4	8.4	15.7	6.3	0.5	39.2	26.8
(175.4)	(34.2)	(183.5)	(139.4)	0.4	(449.1)	(216.9)
(5.1)	(6.7)	(16.4)	(0.3)	(0.0)	(28.5)	(19.2)
(0.2)	-	(0.0)	-	-	(0.1)	(0.3)
234.0	63.1	188.5	12.5	0.9	499.2	496.5
-	-	4.7	0.0	-	4.5	4.3
-	-	(1.2)	-	-	(1.2)	(1.2)
-	-	0.0	-	1.2	1.3	1.1
-	-	-	-	0.1	0.1	0.1
49.0	-	(0.0)	-	-	48.9	1.4
-	-	4.0	6.2	0.3	10.5	3.9
(49.0)	-	0.0	-	0.4	(48.5)	(0.2)
-	-	7.4	6.2	2.0	15.5	9.4
-	1.0	0.0	-	-	1.0	2.5
-	1.0	0.0	-	-	1.0	2.5
(32.4)	(4.3)	(65.3)	(22.6)	(71.6)	(196.3)	(175.6)
(2.4)	(0.3)	(4.6)	(1.5)	(6.3)	(15.1)	(12.3)
(1.1)	(0.4)	(8.4)	(6.5)	(20.3)	(36.7)	(28.2)
(0.3)	(0.3)	(2.4)	(2.4)	(4.4)	(9.7)	(8.1)
(0.9)	(0.1)	(5.2)	(2.6)	(1.9)	(10.6)	(7.5)
(0.3)	(0.1)	(3.6)	(3.1)	(8.6)	(15.7)	(10.2)
(0.2)	(0.0)	(4.7)	(1.8)	(11.7)	(18.3)	(18.0)
(1.2)	(0.1)	(1.2)	(1.3)	(2.3)	(6.0)	(4.5)
(70.1)	(5.1)	(12.8)	-	88.0	-	-
(108.9)	(10.7)	(108.2)	(41.7)	(39.0)	(308.5)	(264.5)
-	-	-	-	(0.1)	(0.1)	(0.0)
(108.9)	(10.7)	(108.2)	(41.7)	(39.1)	(308.7)	(264.5)
(1.9)	(1.1)	(1.7)	(0.0)	0.0	(4.8)	(2.7)
(5.1)	(0.7)	(2.6)	(0.1)	(0.0)	(8.4)	(7.0)
(0.7)	-	-	-	-	(0.7)	(0.5)
(7.7)	(1.8)	(4.4)	(0.1)	0.0	(13.9)	(10.2)
-	-	-	-	0.2	0.2	0.3
0.0	-	0.1	72.4	4.3	76.8	8.5
-	-	(0.0)	(0.0)	(12.8)	(12.9)	(2.1)
0.0	-	0.1	72.3	(8.2)	64.2	6.7
-	-	0.0	0.1	-	0.2	0.0
(35.9)	(15.5)	(25.3)	(13.8)	18.0	(72.6)	(64.7)
(35.9)	(15.5)	(25.3)	(13.7)	18.0	(72.4)	(64.6)
81.5	36.1	58.2	35.6	(26.4)	184.9	175.7
-	-	-	-	-	(0.3)	1.2
-	-	-	-	-	13.4	14.5
-	-	-	-	-	198.0	191.4

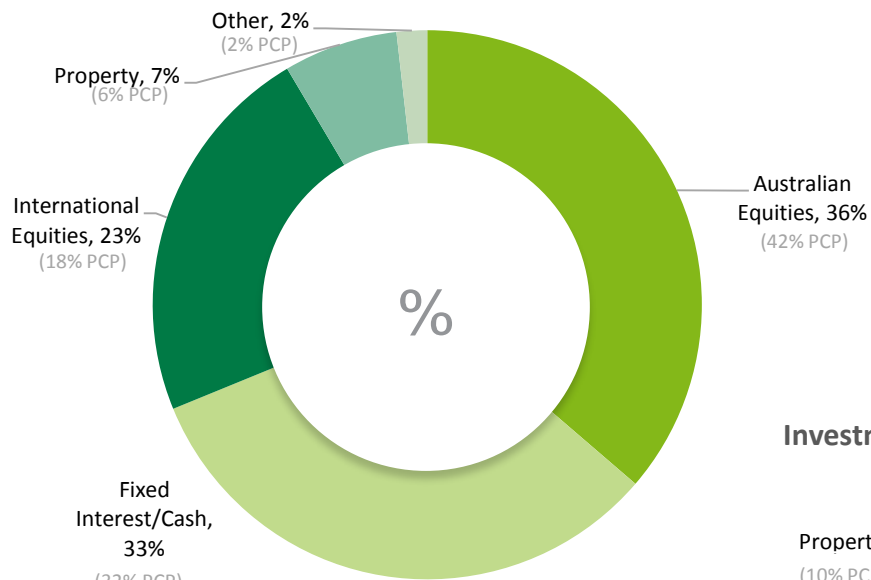
Note: Segment results include inter-segment revenues and expenses eliminated on consolidation

Appendix G | EPS

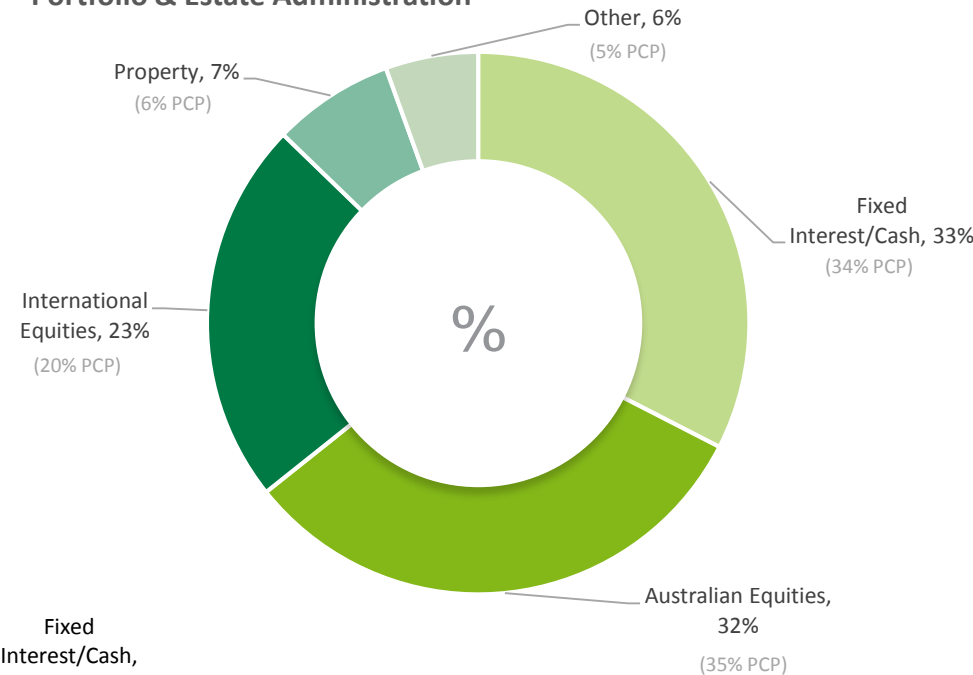
IFL - Averaged Weighted Number of Shares on Issue				
EARNINGS PER SHARE CALCULATION				
Full year ended 30 June 2019				
Ordinary Shares Weighted Average - Opening Balance				351,076,027
From	To	Days	Share Issue	Shares on Issue
01-Jul-18	30 June 2019	365	-	351,076,027
				351,076,027
Weighted average treasury shares on issue				619,858
Ordinary Shares - Closing Balance				351,076,027
Weighted Average				350,456,169 UNPAT
Net Profit Attributable to Members of the parent entity from continuing operations				\$ 184.9m
Basic Earnings Per Share (cps)				52.8

Appendix H | Segment asset allocations

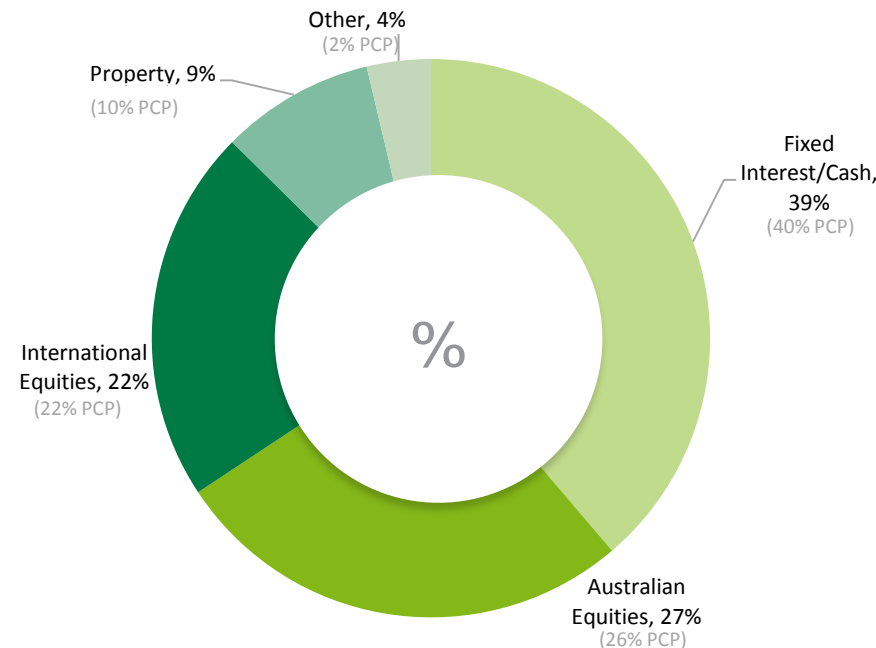
Financial Advice



Portfolio & Estate Administration



Investment Management



Appendix I | Explanation of items removed from UNPAT

In calculating its Underlying Net Profit After Tax pre-amortisation (UNPAT), the Group reverses the impact on profit of certain, predominantly non-cash, items to enable a better understanding of its operational result. A detailed explanation for all significant items is provided below.

Amortisation of intangible assets: Non-cash entry reflective of declining intangible asset values over their useful lives. Intangible assets are continuously generated within the IOOF Group, but are only able to be recognised when acquired. The absence of a corresponding entry for intangible asset creation results in a conservative one sided decrement to profit only. It is reversed to ensure the operational result is not impacted. The reversal of amortisation of intangibles is routinely employed when performing company valuations. However, the amortisation of software development costs is not reversed in this manner.

Acquisition costs - Acquisition advisory: One off payments to external advisers for corporate transactions, such as the acquisition of the ANZ Aligned Dealer Groups (ANZ ADGs) (prior comparative period (pcp): AET Services (AETS)) and planned acquisition of the ANZ OnePath Pensions and Investments (ANZ P&I) business, which were not reflective of conventional recurring operations.

Acquisition costs - Integration preparation: Staff and specialist contractor costs related to integration preparation for the planned acquisition of the ANZ ADGs and planned acquisition of the ANZ P&I business.

Acquisition costs - Finance costs: Costs of securing finance for the acquisition of the ANZ ADGs and substantial economic completion of the ANZ P&I business.

Onerous contracts: A pcp non cash entry to record the estimated present value of expected costs of meeting the obligations under contracts where the costs exceed the economic benefits expected to be received pursuant to the contracts.

Termination payments: Facilitation of restructuring to ensure long term efficiency gains which are not reflective of conventional recurring operations.

Profit on divestment of assets: Divestments of non-core businesses, client lists and associates.

Non-recurring professional fees (recovered)/paid: Payment of certain legal costs that are not reflective of conventional recurring operations.

Appendix I | Explanation of items removed from UNPAT (cont'd)

Non-recurring professional fees (recovered)/paid: Payment of certain legal costs that are not reflective of conventional recurring operations.

Impairment of goodwill and related investment: A non-cash impairment of \$9.5m has been recognised in relation to goodwill allocated to Perennial Investment Partners Limited (prior year: \$28.36m). Additionally, an impairment of \$4.4m has been recognised in relation to the Group's equity accounted investment in Perennial Value Management Limited. Reduced profitability from lower revenue has led to calculated value-in-use declining to below the carrying value of the aggregate goodwill and investment balances. Revenue decline has arisen due to institutional outflows. These outflows reflect below benchmark performance in certain core products and changing market dynamics, where larger institutions now weight a greater proportion of funds to indexed products.

Unwind of deferred tax liability recorded on intangible assets: Acquired intangible asset valuations for AASB 3 Business Combinations accounting are higher than the required cost base as set under tax consolidation rules implemented during 2012. A deferred tax liability (DTL) is required to be recognised as there is an embedded capital gain should the assets be divested at their accounting values. This DTL reduces in future years at 30% of the amortisation applicable to those assets which have different accounting values and tax cost bases. The recognition of DTL and subsequent reductions are not reflective of conventional recurring operations and are regarded as highly unlikely to be realised due to the IOOF Group's intention to hold these assets long term.

Other: Remediation costs identified as significant due to being large and one-off in nature, largely longstanding historic structural issues rectified in the current year.

Other: Deferred consideration devaluation relating to prior periods' divestment of Perennial and other businesses.

Income tax attributable: This represents the income tax applicable to certain adjustment items outlined above.

Appendix J | Definitions

TERM	DEFINITION
AL	Aligned Licensee
Cost to Income Ratio	Ratio of underlying expenses relative to underlying operating revenues exclusive of the benefit funds and discontinued operations
Flagship Platforms	IOOF Employer Super, IOOF Pursuit.
FUMA	Funds Under Management, Administration and Advice
Net Operating Margin	Ratio of underlying revenues excluding net interest less underlying operating expenses relative to FUMA
PCP	Prior Comparative Period – Twelve months to 30 June 2018
Return on Equity	Calculated by dividing annualised UNPAT by average equity during the period
TSR	Total Shareholder Return – change in share price plus dividends paid per share in a given period
UNPAT	Underlying Net Profit After Tax Pre Amortisation, see Appendix I for a detailed explanation of reconciling line items
Underlying EBITA	Underlying Earnings Before Interest, Tax and Amortisation
Underlying EPS	Calculated with the same average number of shares on issues as the statutory EPS calculation utilising UNPAT as the numerator, a detailed calculation is provided in Appendix G
VWAP	Volume Weighted Average Price

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.

IOOF undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date of this presentation, subject to disclosure requirements applicable to IOOF.

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A person wearing a cowboy hat and a dark shirt is seen from behind, standing on a rocky ledge and looking out over a vast canyon at sunset. The sun is low on the horizon, creating a warm, golden glow across the sky and the canyon floor. The sky is filled with soft, wispy clouds. The person's shadow is cast on the rock they are standing on.

Thank you

