



21 December 2018

IOOF update on APRA licence conditions

The Board of IOOF Holdings Ltd (ASX:IFL) today announced that agreement has been reached with the Australian Prudential Regulation Authority (APRA) on the proposed licence conditions noted in IOOF's ASX release of 7 December 2018, with formal notice received from APRA late this afternoon.

IOOF agreed to licence conditions relating to its three APRA Regulated Entity subsidiaries (AREs). The conditions cover initiatives which are underway or completed.

A summary of the overarching initiatives and their status is set out below. Where appropriate, IOOF and APRA have agreed revised target completion dates on certain initiatives, as summarised in the table below. Of note, one initiative is subject to the successful completion of the transaction to acquire ANZ's Pensions and Investments business.

Acting Chairman, Allan Griffiths said, "We continue to focus on addressing the governance issues raised by APRA in the interests of all stakeholders in an orderly and collaborative manner. We look forward to continue working constructively with APRA to address and complete the remaining initiatives."

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

The above table relates only to the licence condition matters raised in APRA's Show Cause Notice. Given the overlap between those matters and the other matters currently before the Federal Court, the AREs have not responded in detail to APRA's preliminary views set out in the Show Cause Notice.

-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 independent groups in the financial services industry.

IOOF provides advisers and their clients with the following services:

- **Financial Advice** representing 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 private client trustee services, estate planning and compensation trusts.

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

