

# Global Wealth Management

Peter Scott, Executive General Manager

11th October, 2000

# Agenda

- Strategic Blue Print
- Business Update
- Business Priorities
- Integration Update

# Global Wealth Management Vision and Values

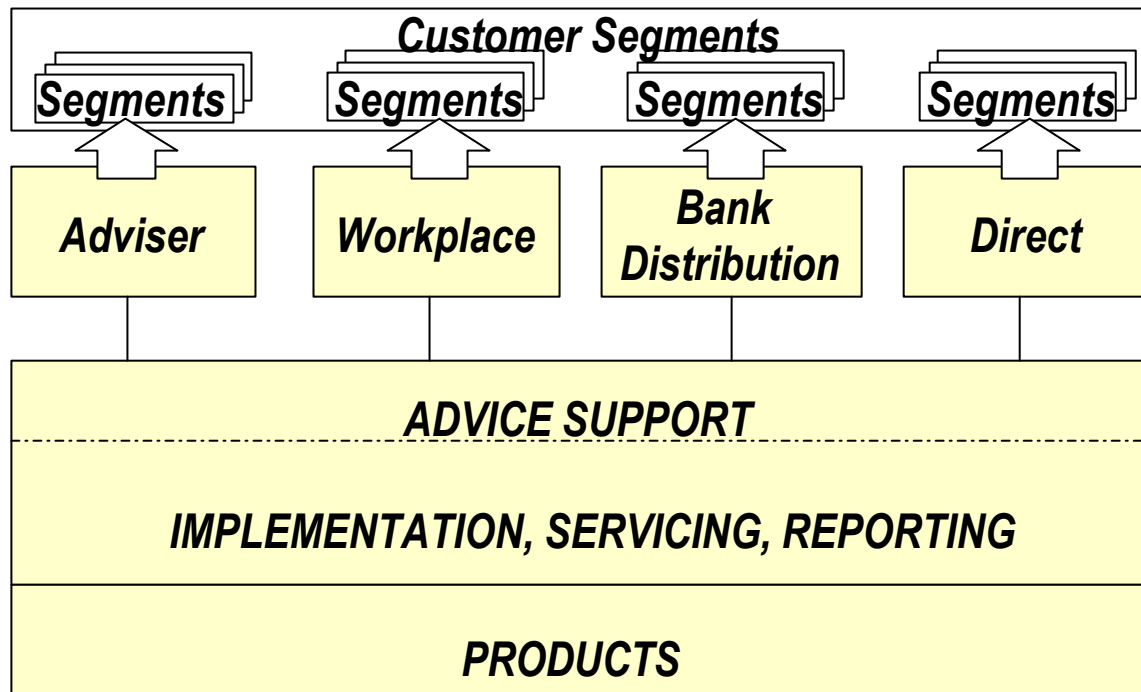
## Vision

\_\_\_\_\_ growth!  
partnerships. innovation. change.

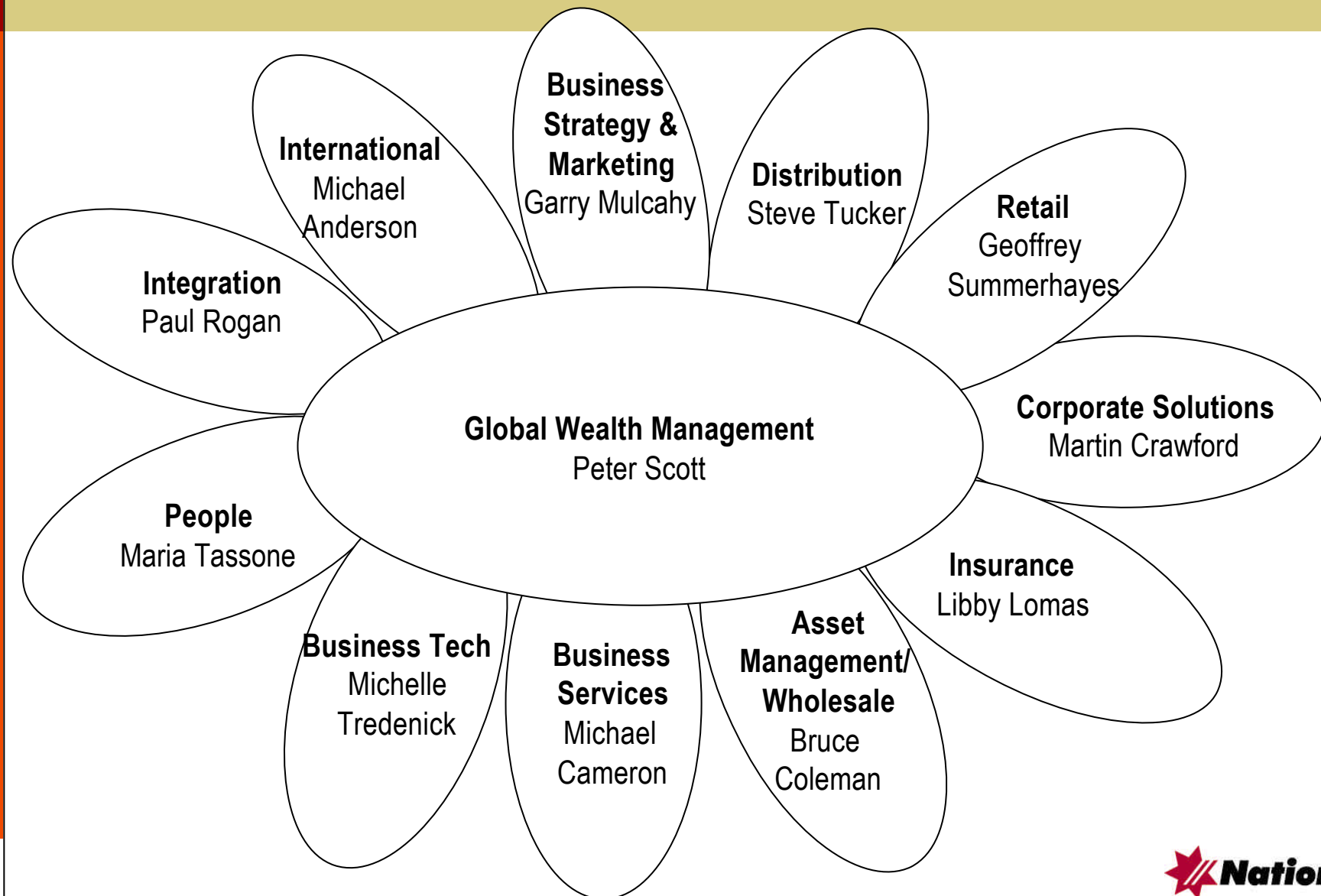
## Values

- We value relationships
- We are open and transparent
- We initiate and challenge
- We move with speed
- We take accountability

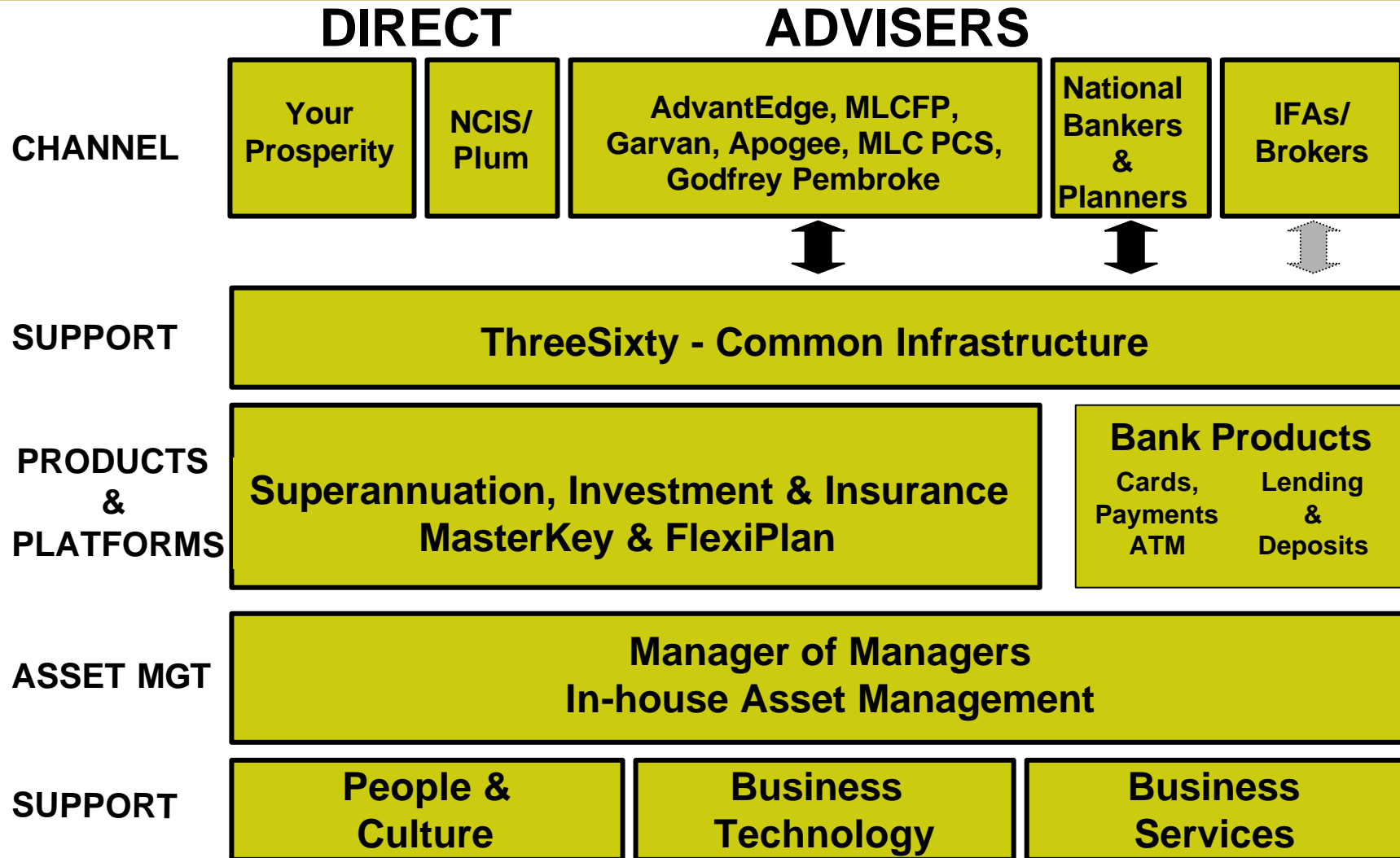
# Business Model Blue Print



# Global Wealth Management Leadership Team



# Australian Business Model



# Global Wealth Management Capability

		Australia	Asia	New Zealand	Europe	United States
<b>Customers</b>	Corporate	Capability established	No capability exists	No capability exists	No capability exists	No capability exists
	Private	Capability established	No capability exists	No capability exists	No capability exists	Capability established
	Premium	Capability established	No capability exists	Limited Capability	Limited Capability	Limited Capability
	Retail	Capability established	Capability established	Capability established	Capability established	Capability established
<b>Distribution</b>	Direct	Capability established	No capability exists	No capability exists	No capability exists	Capability established
	Dealerships	Capability established	Capability established	No capability exists	No capability exists	No capability exists
	Bank	Capability established	No capability exists	Capability established	Capability established	Capability established
<b>Products</b>	General Insurance	Capability established	No capability exists	Limited Capability	Limited Capability	No capability exists
	Superannuation/Pension	Capability established	No capability exists	Limited Capability	Limited Capability	Limited Capability
	Life Insurance	Capability established	Capability established	Limited Capability	Limited Capability	No capability exists
	Investment	Capability established	No capability exists	Limited Capability	Limited Capability	Capability established
	Master Trusts	Capability established	No capability exists	No capability exists	No capability exists	Capability established
<b>Asset Management</b>	Multi Manager	Capability established	No capability exists	No capability exists	No capability exists	No capability exists
	Inhouse	Capability established	No capability exists	Capability established	No capability exists	Capability established
	Outsourced	No capability exists	Capability established	Limited Capability	Capability established	Limited Capability

Capability established	Capability established
Limited Capability	Limited Capability
No capability exists	No capability exists

# Business Highlights

- “Business continues to perform”
- Insurance “sustainability” strategy delivers strong sales performance
- Launch of MLC Capital International Global Share Fund
- Launch of Advance MLC Assurance in Thailand
- FlexiPlan achieved \$3bn in FUA
- MLC Platinum Global Fund achieved \$1bn in FUM
- Your Prosperity awarded “Best Broker for New Online Investors 2000”  
([yourbroker.com.au](http://yourbroker.com.au))

# Business Highlights continued

## ➤ Australian Market Share Performance\*

- No.1 Retail Funds Manager Quarterly & Annual Net Funds Flow
- No.1 Discretionary Master Funds by Quarterly Net Funds Flow
- No.3 Total Assets Under Management by size
- No.1 Retail Asset Under Management by size
- No.2 Retail Unit Trust, Superannuation and Allocated Pension
- No.2 Protection Insurance New Annual Premium (Term & Disability)  
- December 1999

\* Source: Assirt Market Share Report - June 2000 and Rice Kachor Research - December 1999

# Business Priorities - Top 5

- Enhancement of Service Engine and Platform Offerings
- Culture development
- Implementation of UK Investment Service Offering
- Delivery of Integration Benefits
- Growth in number of Financial Planners

# Enhance Service Engine and Platform

- The “service engine” strategy supports a number of challenges and opportunities as follows:

## External

- The market is moving rapidly towards “platform” type services
- Reduction in margins continues to drive industry rationalisation
- Increasing demand from customers for greater “choice” and flexibility

## Internal

- Rationalise processes and drive long term cost efficiencies
- Efficient scalable engine to support the multi channel distribution
- Continue growth of Australia businesses to deliver value

- Strategy approved and project team commenced the enhancement activities

# UK Investment Service Offering

## Strategic Goals

- Design and build a new, customer focused investment service in the UK
- Support the bank premium distribution strategies
- Provide a platform for a multi-channel distribution strategy in UK
- Leverage group expertise to maximise opportunity

## Progress

- Team is located in UK and working to deliver the next phase by late October 2000
- The Blueprint deliverables includes:
  - detailed design for the service offering and operating model
  - develop the implementation plan to deliver the capability

# Culture Development

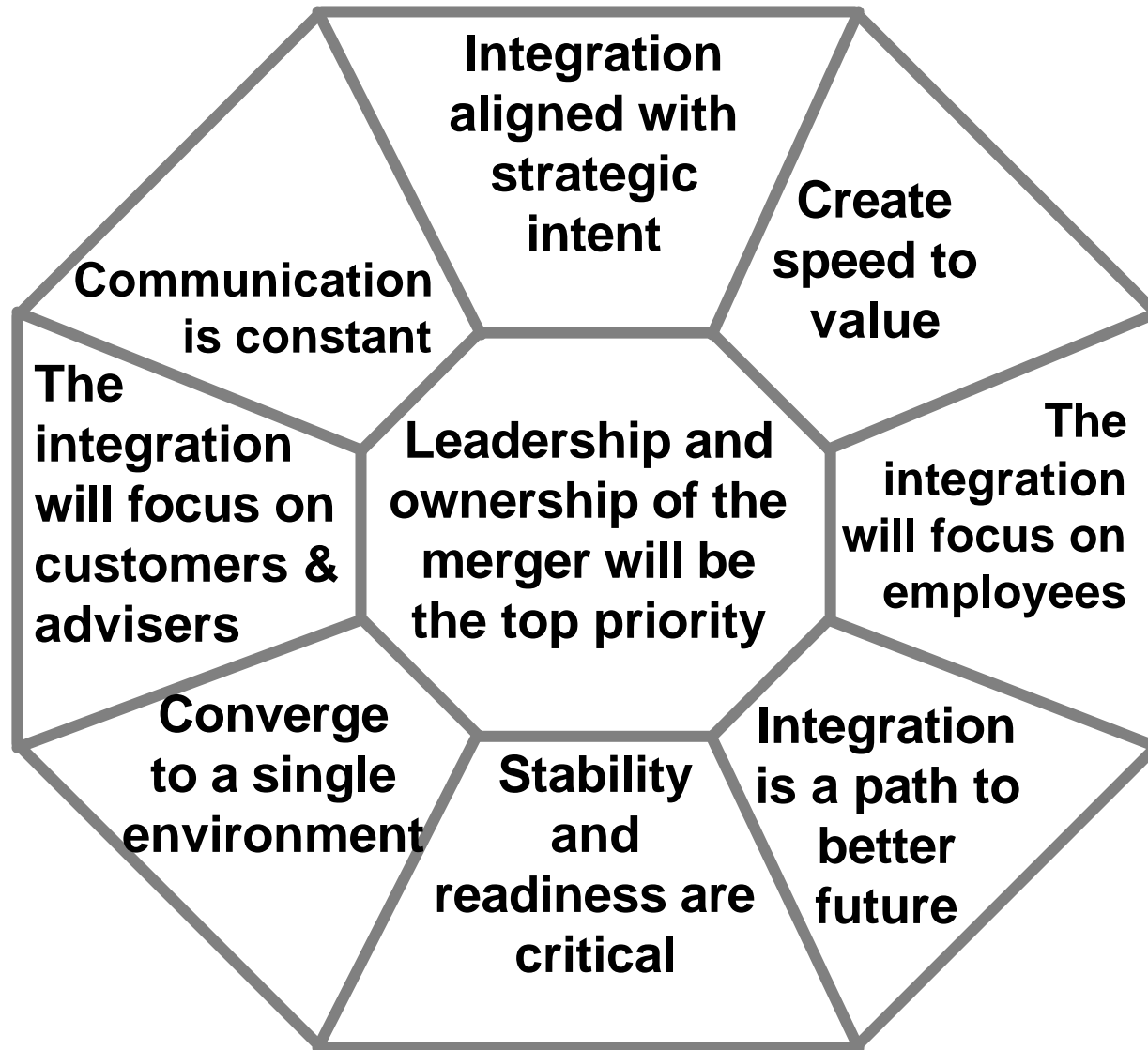
## Strategic Goals

- Culture can provide a competitive advantage and is critical for success
- Alignment of values across GWM

## Progress

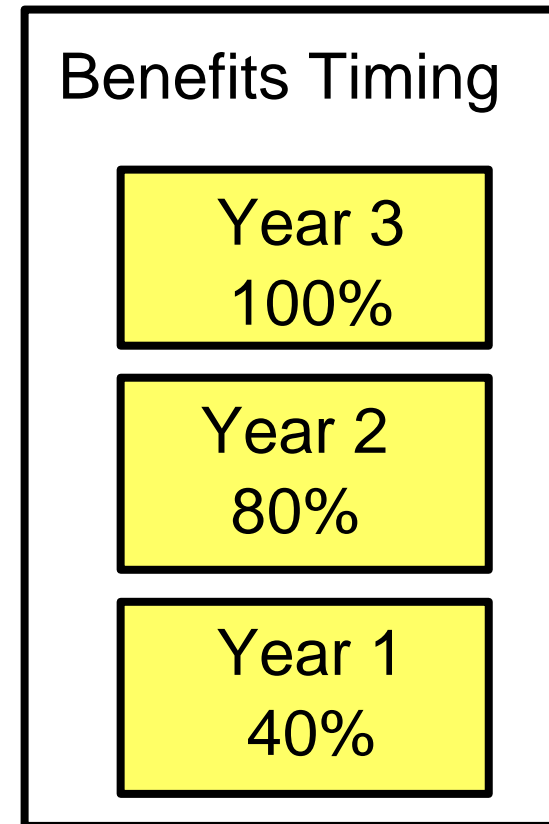
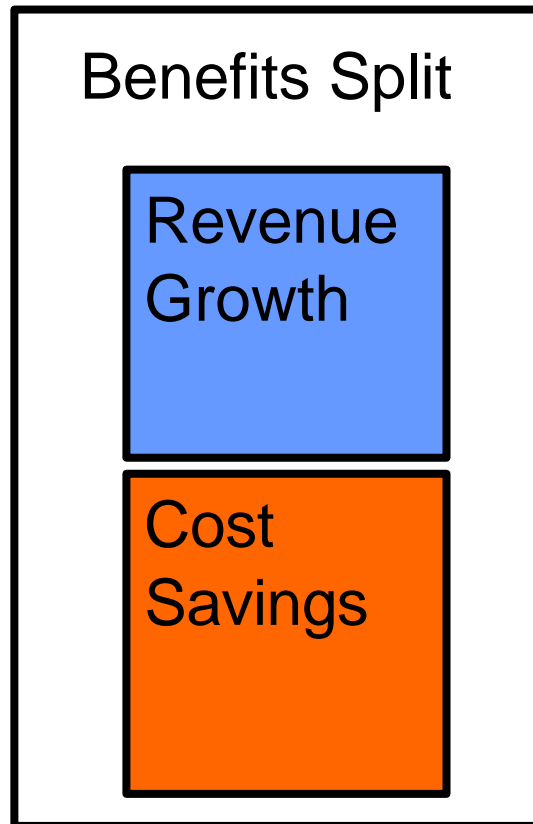
- Cultural audit completed and target GWM culture approved
- Change management and cultural alignment programs commenced
- GWM Employee Roadshows conducted across Australia during August
- Culture objectives supported through performance contracts
- Innovative Employee Remuneration and Benefits Program

# Integration Principles



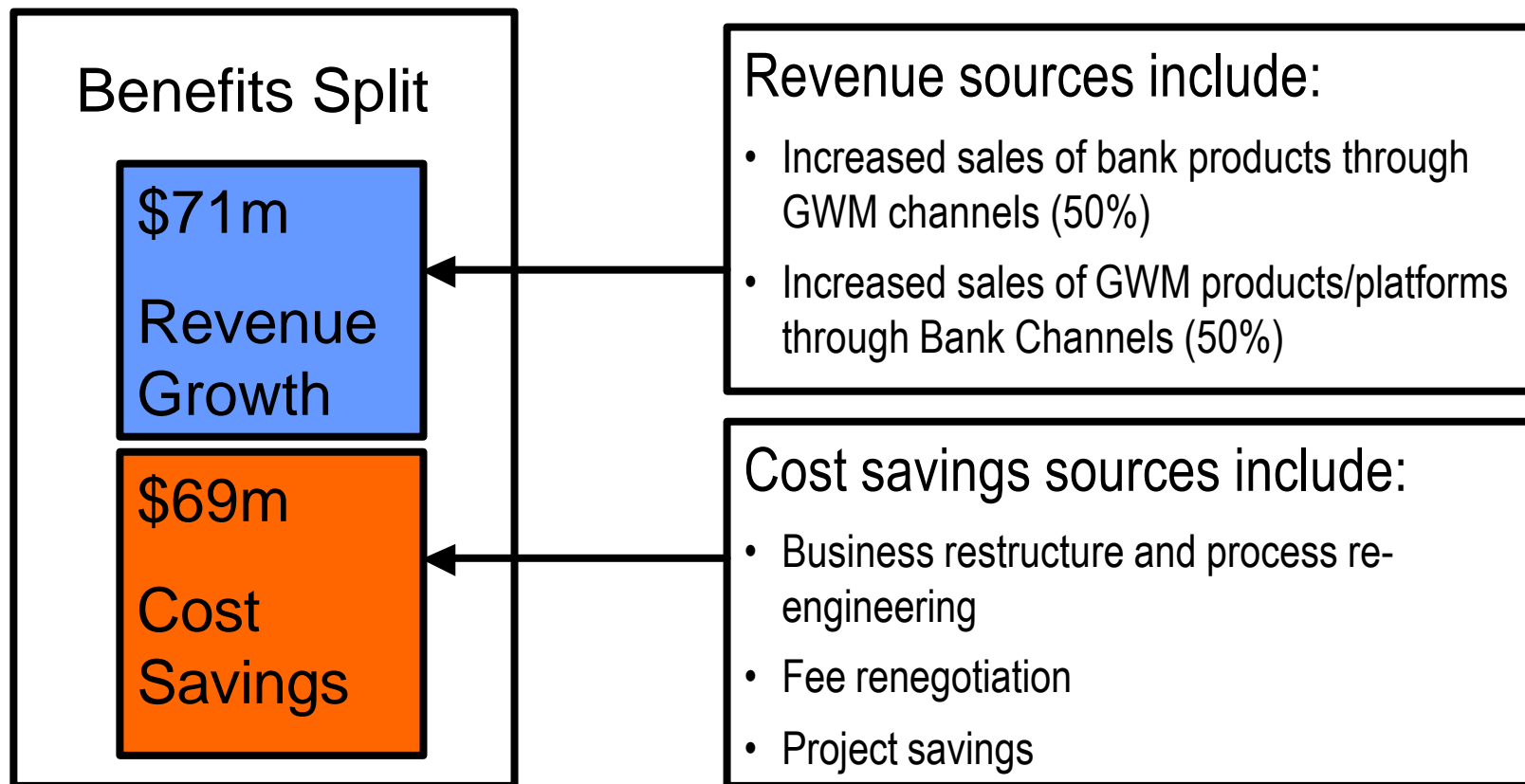
# Integration Objectives

- **Deliver \$138m** in ongoing pre tax synergies by Sept 2003
- **Maintain the growth momentum** across GWM businesses

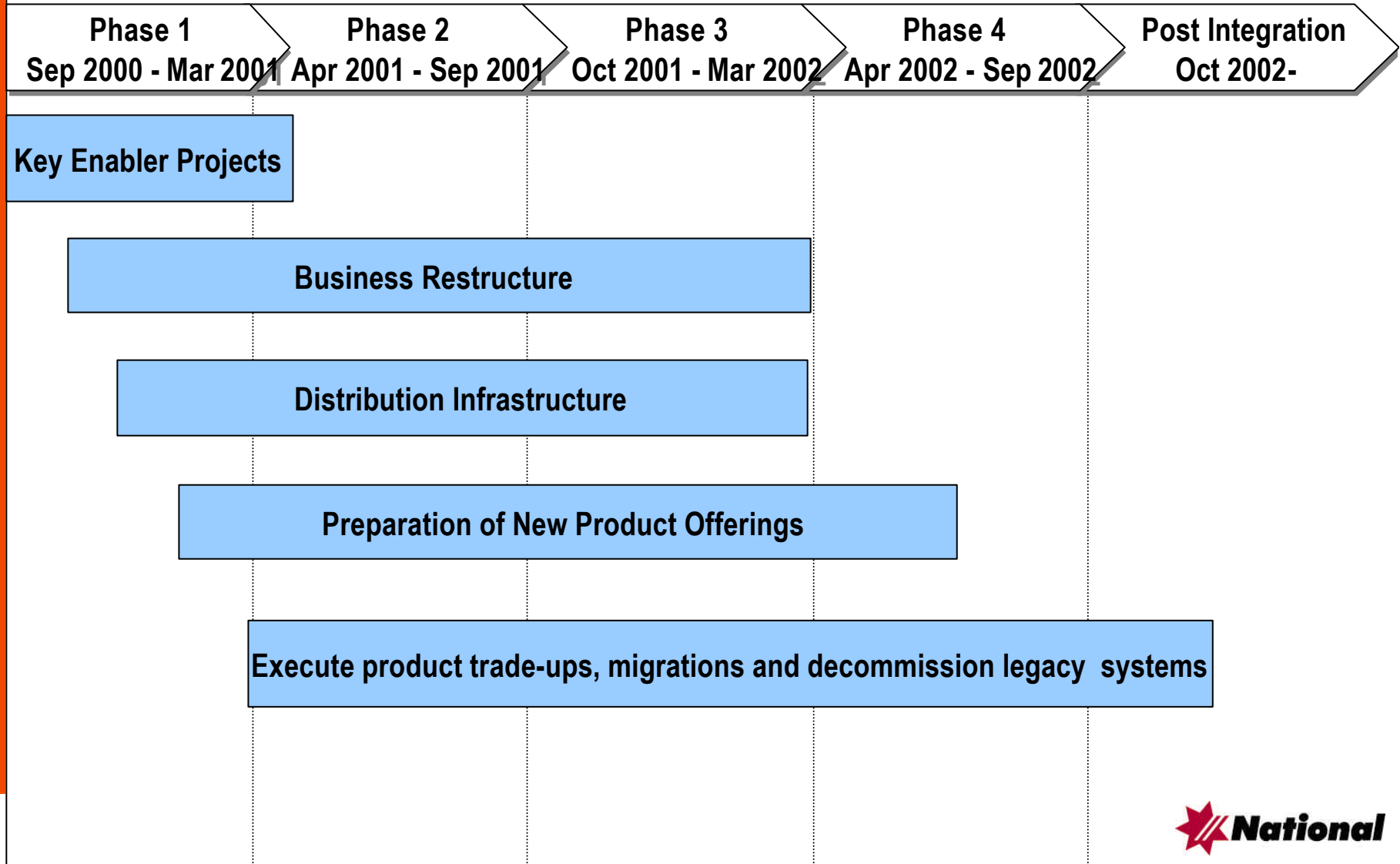


# Integration Financial Targets Confirmed

- Confirmed target of \$140m in ongoing pre tax synergies by Sept 2003
- Total Integration project budget confirmed at \$99m



# Integration Key Projects



# Integration Risks

- Constant focus on customers
- Balancing growth vs integration priority
- Loss of key staff and advisers
- Cultural diversity
- Benefit capture
- Governance
- Time

# Financial Planner Growth Strategies

- Targeting 15% growth in number of Financial Planners in Australia
- Multi channel distribution strategy continued
- Leverage GWM capabilities to maximise opportunities
  - Expansion of MLC Private Client Service Model into Bank
  - Further enhancement of adviser tools and Three Sixty services
- Continue education and compliance programs
- Leverage Bank customer segmentation and relationship management skills

# Global Wealth Management Achievements

## Strategic

- ✓ Design Phase completed August 2000
- ✓ Integration Master Plan Approved early September 2000
- ✓ Major projects commence implementation in October 2000
- ✓ MLC Insurance products now distributed via Bank Financial Planners
- ✓ Restructure of Asset Management business commenced

## Financial

- ✓ Integration synergy benefits and project targets confirmed
  - \$140m Integration Benefits (ongoing by 2003)
  - \$99m project budget (once off)
- ✓ Quick wins implemented which will deliver \$23m of ongoing annual benefits

# Global Wealth Management Achievements

## Operational

- ✓ Australian business continues growth
- ✓ GST systems implemented
- ✓ Advance Assurance launched in Thailand
- ✓ MLC Capital International Global Share Fund launched

## People

- ✓ Organisation structures determined
- ✓ Leadership team and direct reports appointed, 3rd tier appointments substantially complete
- ✓ Employee Culture and Vision Roadshows completed
- ✓ Cultural audit completed
- ✓ Employee Remuneration and Benefits Package approved and roadshows to be in October
- ✓ Change Management and Cultural Alignment programs commenced
- ✓ Retention of key employees

# Summary

\_\_\_\_\_growth!

## ➤ Partnerships

- Relationship with Bank Distribution Channels
- Joint Venture partnerships - Asia and Australia

## ➤ Innovation

- Your Prosperity - “Best Broker for New Online Investors 2000” ([yourbroker.com.au](http://yourbroker.com.au))
- Launch of MLC Capital International Global Share Fund

## ➤ Change

- Integration projects and business restructure
- Employees Remuneration and Benefits Programs