

BT Financial Group

UBS Australian Financial Services Conference

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Headlines

- Favourable macro forces for the wealth sector:
 - Super expected to rise from \$1.2tr to \$3.1tr by 2020 (10% CAGR)
 - Insurance premiums likely to grow from \$34bn to \$78bn (9% CAGR)
- Significant industry challenges:
 - Largest ever reform agenda
 - Market uncertainty post GFC and European sovereign issues
 - Potential industry consolidation
 - Competition
- BTFG has strong operations across the wealth value chain and is positioned to continue capturing an increased share of targeted segments

Agenda

1. Changing face of financial services in Australia
2. BT Financial Group at a glance
3. The growing wealth industry and its forces of change
4. Six strategic priorities to drive growth

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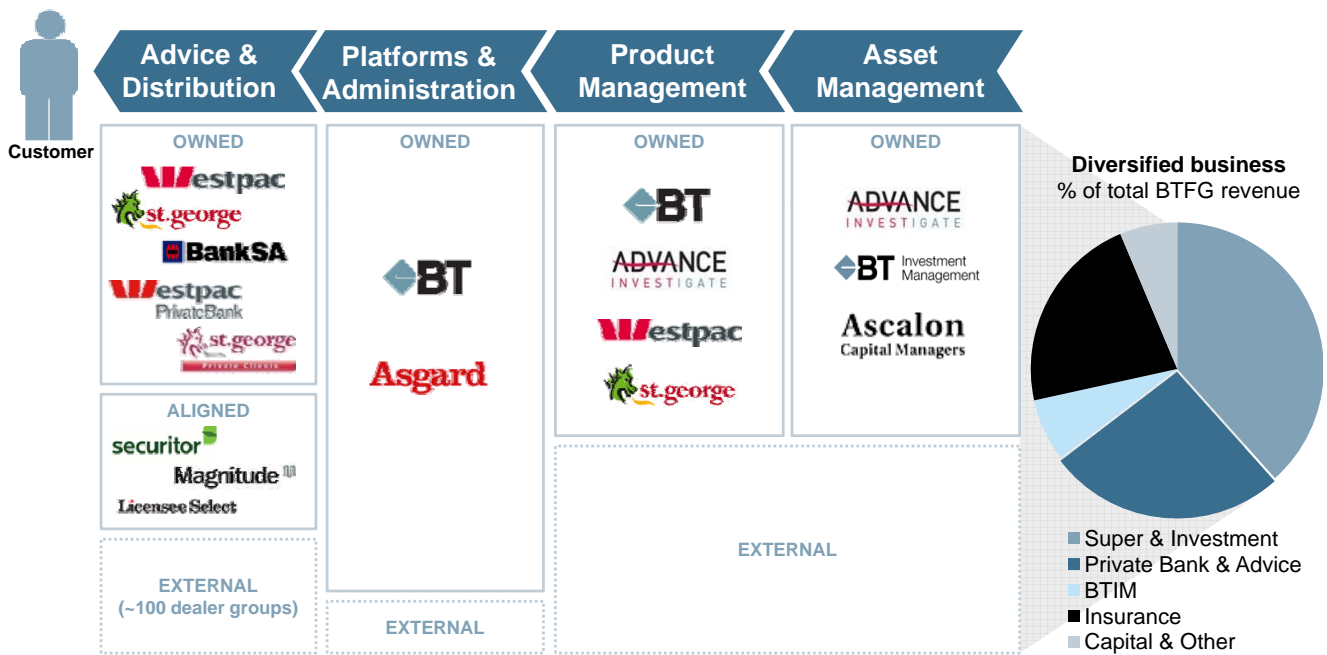
Wealth and wealth protection on a faster growth trajectory

Market sizing & projected growth \$trillion

	2010		2020(e)
Deposits & lending	3.1	6-7% CAGR	5.9
Superannuation assets	1.2	9-11% CAGR	3.1
Life & general insurance premiums	0.3	8-9% CAGR	0.8

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BT Financial Group at a glance



Note: Aligned Advisers includes 550 Securitor & Magnitude advisers for which we hold the license, and 450 Licensee Select advisers who operate under their own licenses. BTFG owns 60% of BT Investment Management (BTIM).

Industry trends have a range of possible outcomes

Industry trends

Possible outcomes

Declining Margins

- Accelerating shift from high margin to low margin products
- Growing focus on risk products

Regulatory Change

- Customer-led regulation (fee-for-service, fiduciary duty)
- Scope and implications not yet clear

Changing Customer Demand

- Emerging evidence of reduced risk appetite, increased focus on transparency and value
- Early indicators only and may be cyclical

Consolidation and Integration

- Further consolidation inevitable; how this will impact competitive dynamics is uncertain
- Integration effectiveness will determine outcomes

Four attributes necessary in any outcome

1	Distribution Reach & Diversity	Productive bank, direct and IFA channels based on committed 'lead' relationships
2	Revenue Participation	Flexibility to participate along the wealth value chain in both risk and non risk margins
3	Cost Leadership	Low unit and investment costs will be imperative to providing product and pricing flexibility
4	Customer Experience	A compelling proposition for all our customers

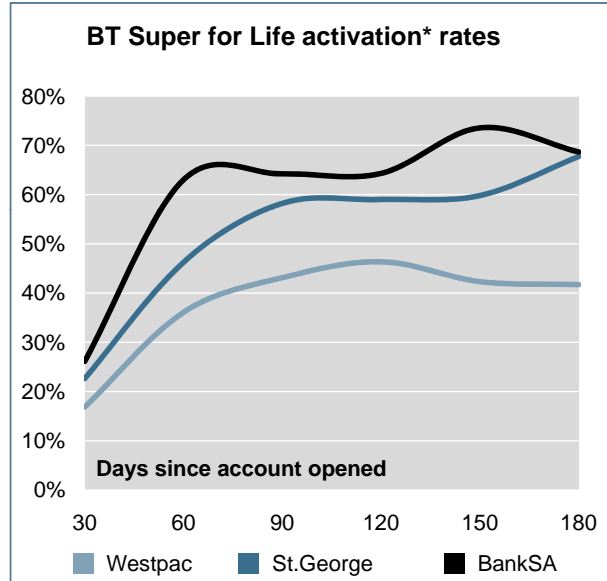
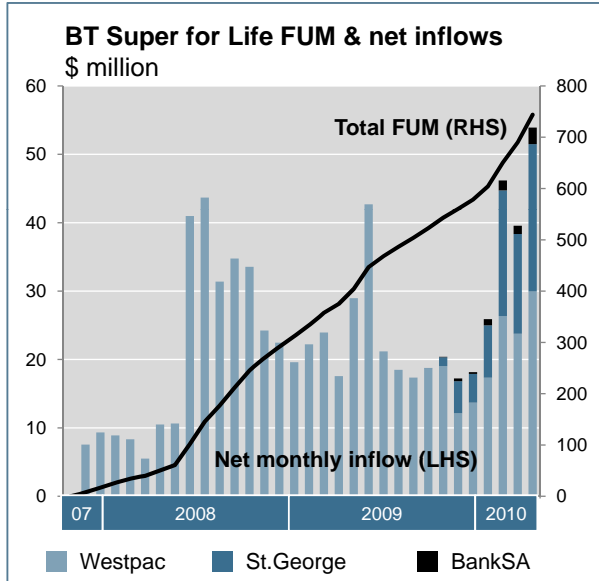
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BTFG has six strategic priorities to drive growth

1. Alignment of banking and Wealth distribution
2. High net worth customers
3. Compelling customer experience
4. Target insurance segments
5. Super, accumulation and transition to retirement
6. Advice and platform service

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Bank customers & distribution: BT Super for Life



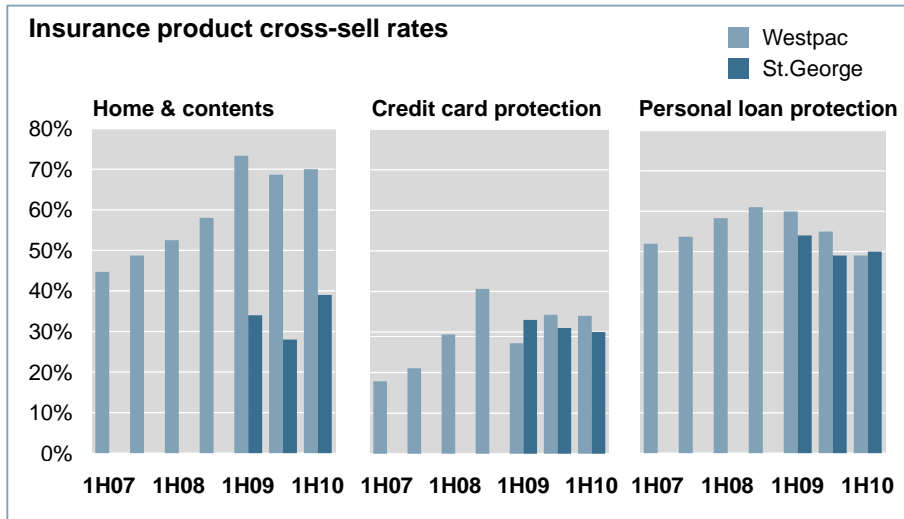
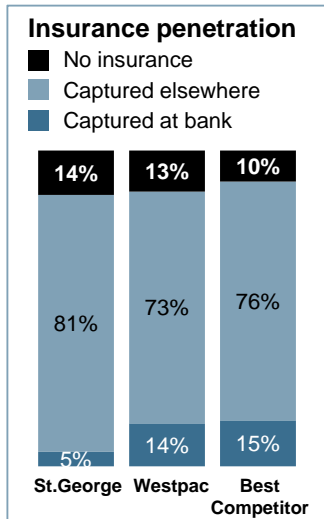
BT Super for Life net monthly inflows are currently at record levels, driven by strong sales and effective activation

Key success factors

- Aligning sales targets with value creation
- Driving activation
- Employer compliance

*An active account has money in the account irrespective of how it was received (method)

Bank customers & distribution: Insurance



The opportunity to sell insurance to our banking customers is large

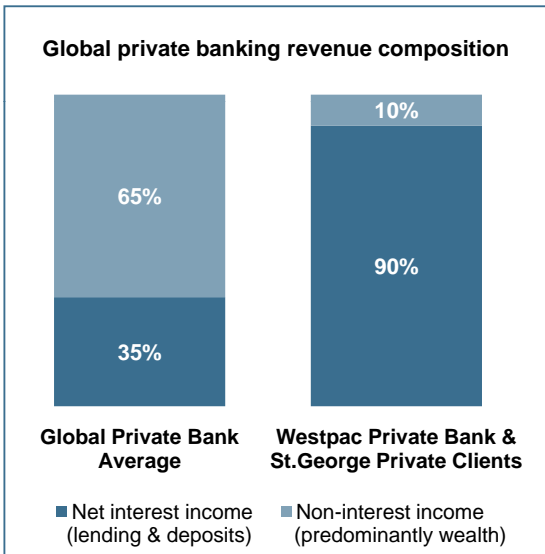
Insights

- Moved St. George insurance in-house
- Manufacture and sell own products through multiple brands
- Aligned targets and measures with distribution channels
- Target opportunity in under-insurance

Source: Roy Morgan Single Source – Australia

High net worth customers

Reaching just one third of the global average is a \$100m opportunity



Exceptional client experience
 Client standards • Customer segmentation • Tailored service

Differentiated high net worth offer
 Research • Multi-asset portfolio • Leading lending solution

Grow footprint
 One Westpac • Setting industry benchmark in training

Brand & reputation

BT Super for Life
 Only available at:
Westpac **st.george** **BankSA**

Which pays better, cash or shares?

BT

Shares can work harder than property. Only with a lot less hard work.

BT

Summary

- Favourable macro forces for the wealth sector
- Significant industry change
- BTFG has strong operations across the wealth value chain:
 - Completed St.George merger and integration
 - Strong product and distribution capacity
 - Now very externally focused

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