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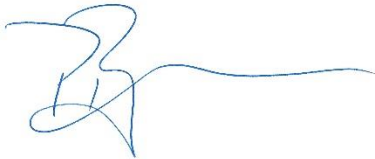
11 May 2016

Dear Sir/Madam

IRESS LIMITED – Investor Day Presentation

Please find attached for market release an information pack that will be presented later this morning to investors and analysts.

Yours sincerely,



Peter Ferguson
Group General Counsel
& Company Secretary

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Investor Day

Sydney

11 May 2016



Welcome & introduction

Andrew Walsh CEO & Managing Director

Outline of morning

IRESS Overview

Andrew Walsh

CEO and Managing Director

Introducing ViewPoint

Matt Rady

Group Executive Financial Markets

The evolving advice landscape

Aaron Knowles

Group Executive Product

Morning Tea

Market Overview – UK Wealth Management

Simon New

Group Executive Strategy

Segment Overview - Lending

Simon Badley

Managing Director UK

Q&A

Informal Lunch

Key messages for today

**Long history of
product-led investment**

**Product innovation and delivery is
at the core of IRESS' strategy**

**Track record of strategy execution
and growth over time**

**Today is focussed on only
specific & topical areas**

- IRESS continues to invest in capital markets capabilities - ViewPoint well received
- The advice landscape is evolving - IRESS uniquely positioned to capitalise
- UK wealth market is broad and deep - significant opportunity for IRESS
- Re-positioning of lending business progressing well and medium-term opportunity

IRESS Overview

Andrew Walsh CEO & Managing Director

Who we are

We create software and solutions for the world's financial services industry, empowering them to efficiently analyse, plan, engage, advise, trade and implement, and review.

Reliable and inventive



Credible and valuable

We service a broad landscape, from institutional to retail.

Investment management, institutional broking, retail full service broking, online broking, wealth management, financial planning, mortgage broking and lending.

Efficient and flexible

Clients choose us for our proven capability, expertise and the tangible benefits IRESS technology delivers.

EMPOWER OUR CLIENTS

Our software and solutions make a positive impact by making financial markets work better and indirectly enabling our clients to help their customers build their wealth, protect their family, buy their home, invest in the stock market and secure their financial future.



GLOBAL PERSPECTIVE

We combine global experience and scale with local expertise and implementation. We have 17 global office locations in Australia, Canada, Hong Kong, New Zealand, Singapore, South Africa, and the United Kingdom.

Trusted



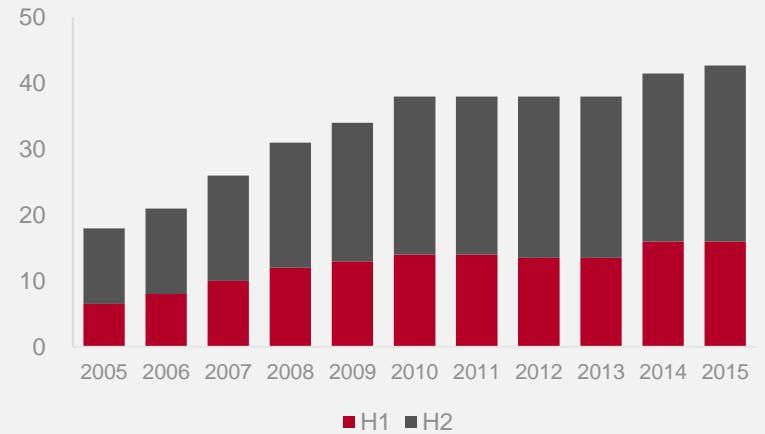
We are a publically listed top 150 company on the ASX.

We put our clients at the heart of everything we do. We combine technical expertise with a profound understanding of financial services. We are 1,500 talented people.

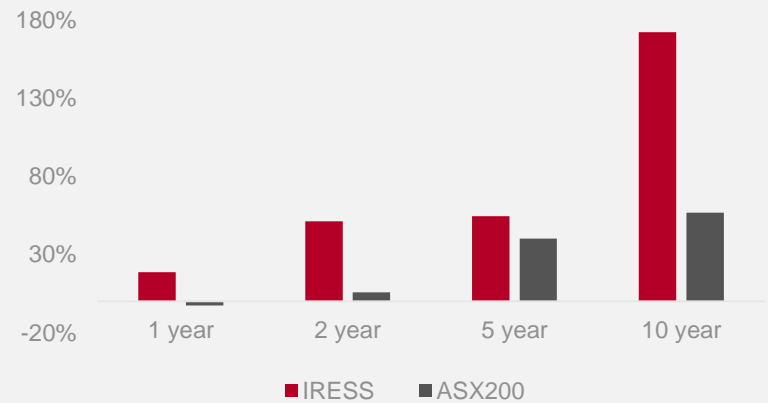
Sustained strategic approach



Dividends (\$Am)



TSR



Disciplined approach to growth



Export IRESS IP

Continue to export IP leveraging product suite.

Opportunities supported by regulatory imperatives, technology trends and client spend, product differentiation.



Local relevance, global presence

Retain local relevance & strengths whilst leveraging global presence, scale, and synergies.

Balance centralised and distributed development capability, aligned to product strategy.



Invest in our people

Attract, develop & retain top talent.

Invest in leadership excellence.

One IRESS culture.

Talent focus complimented by Global Graduate program.



Pursue scale

Consistently look to streamline technology delivery for efficiency.

Ensure highest service and delivery standards met with consistency.

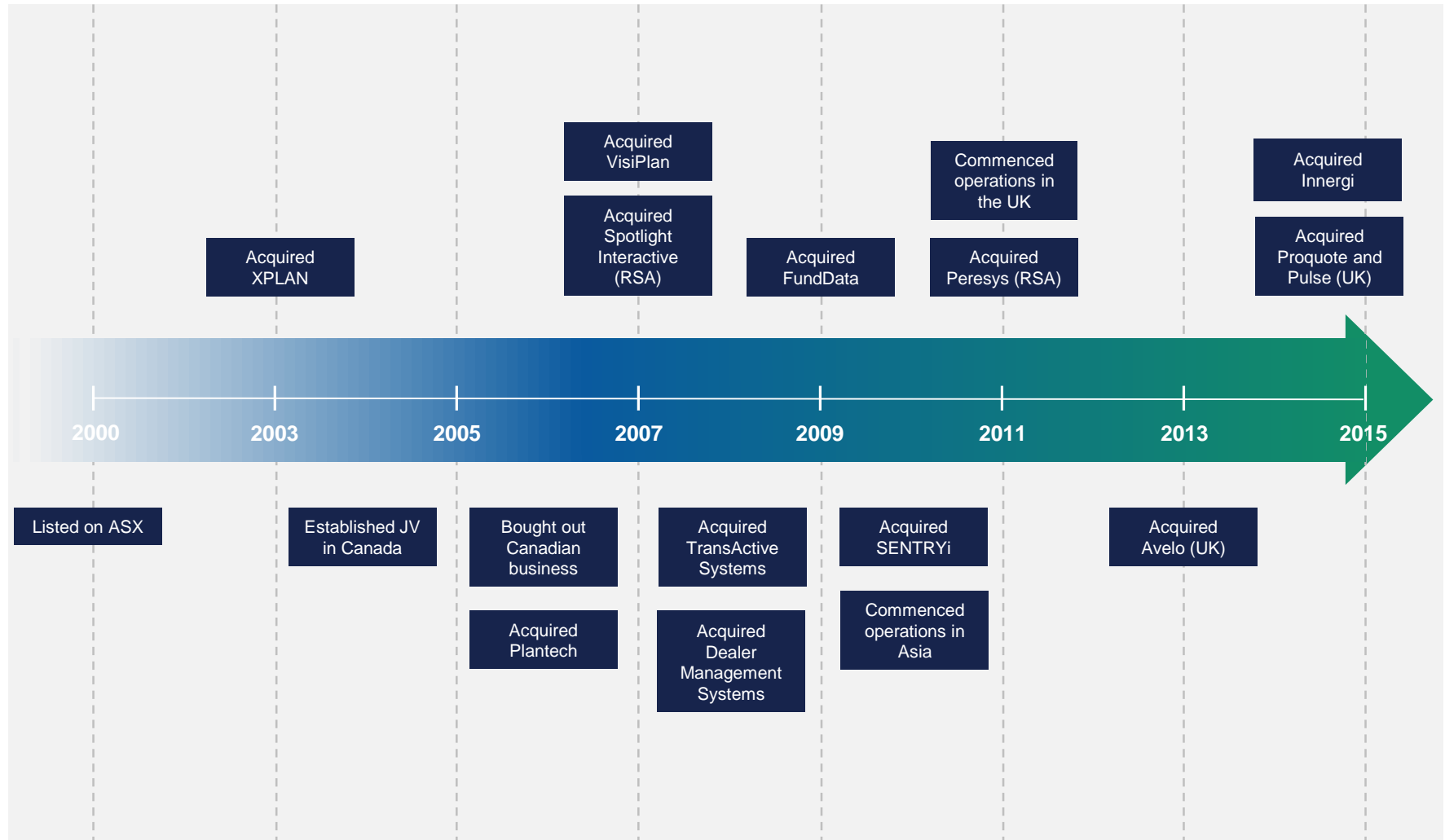


Acquire

Committed and deliberate approach to acquisition in selected regions.

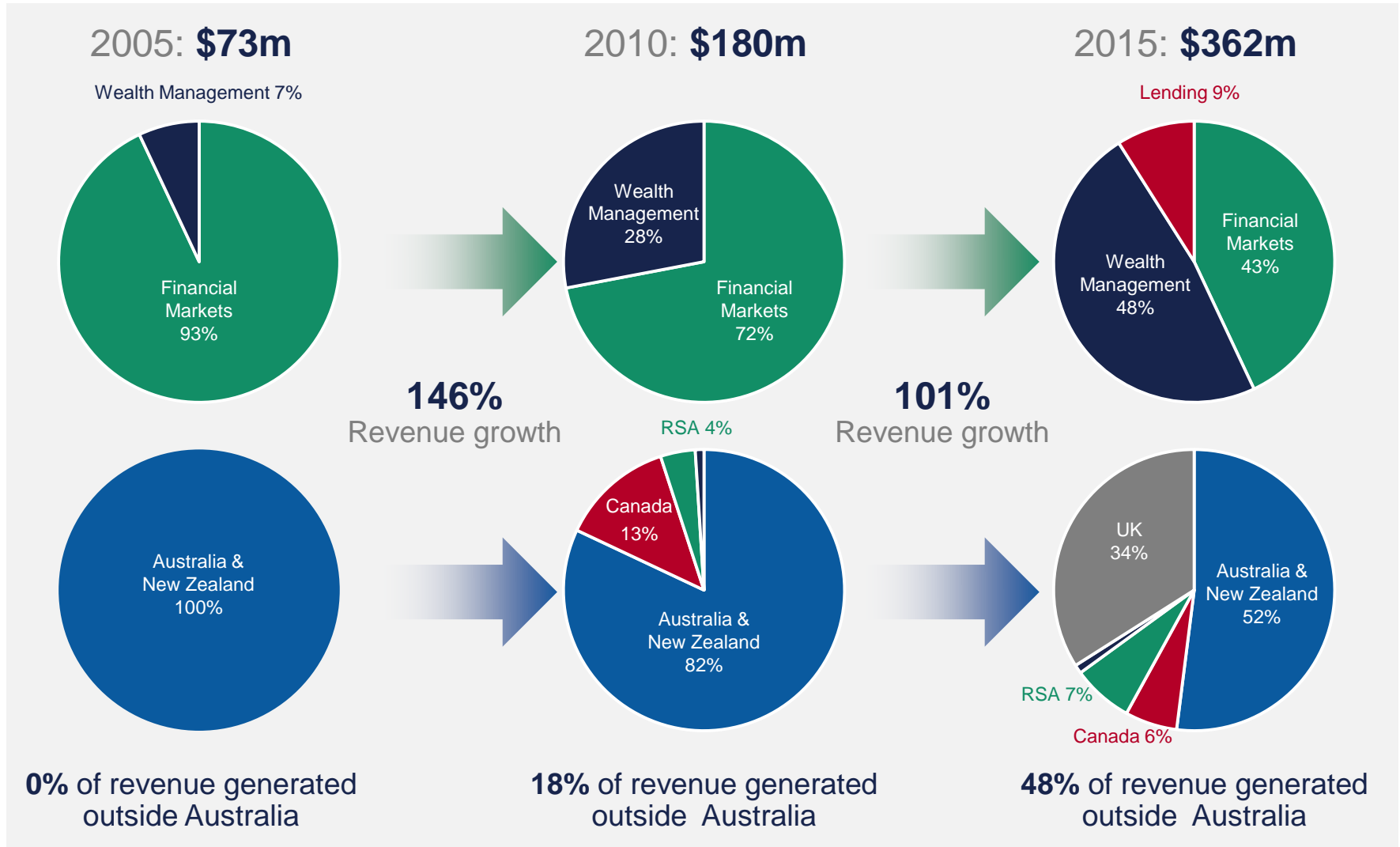
History of disciplined acquisition

and geographic expansion



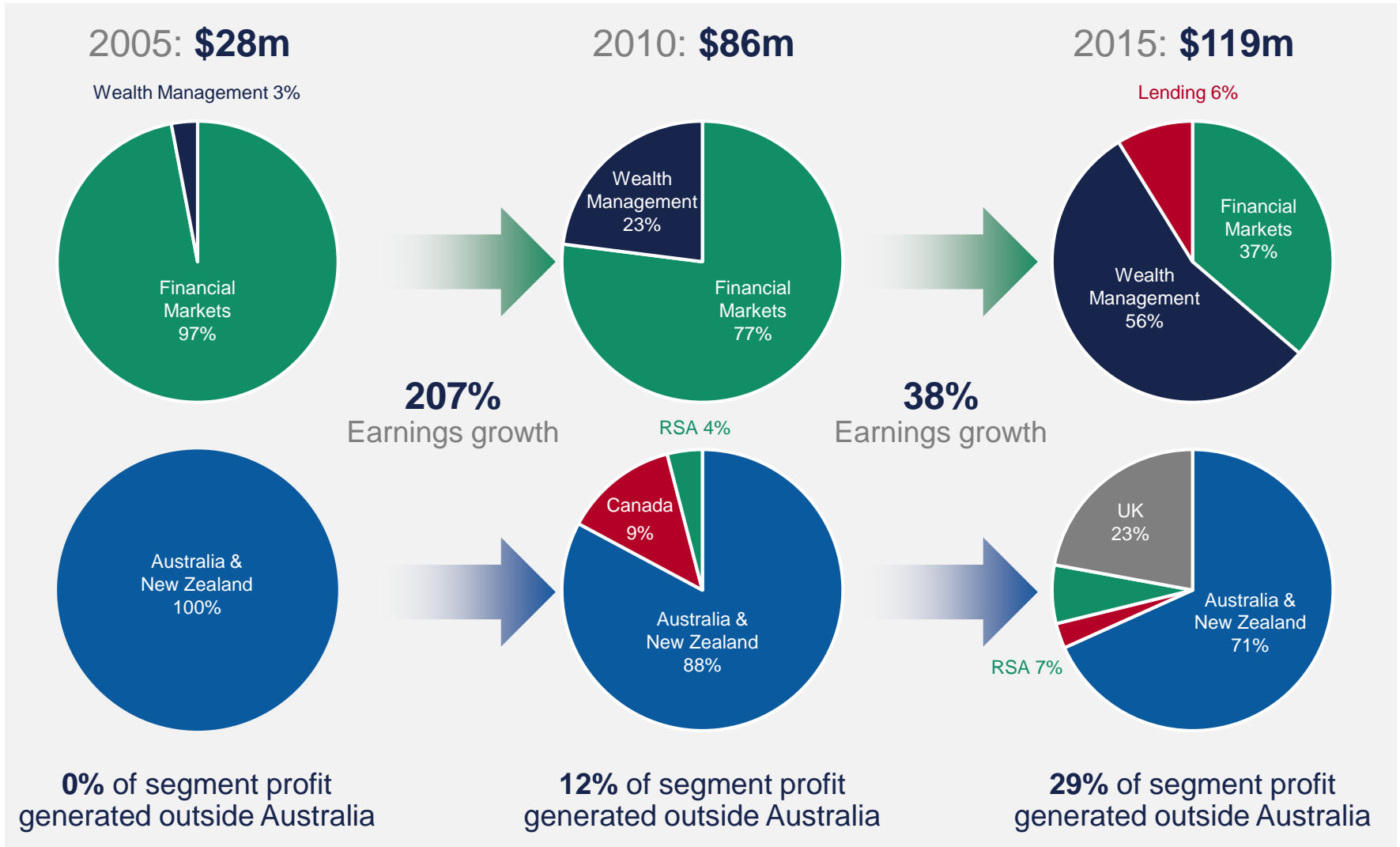
A focus on revenue diversity

Revenue growth and diversity by segment and geography

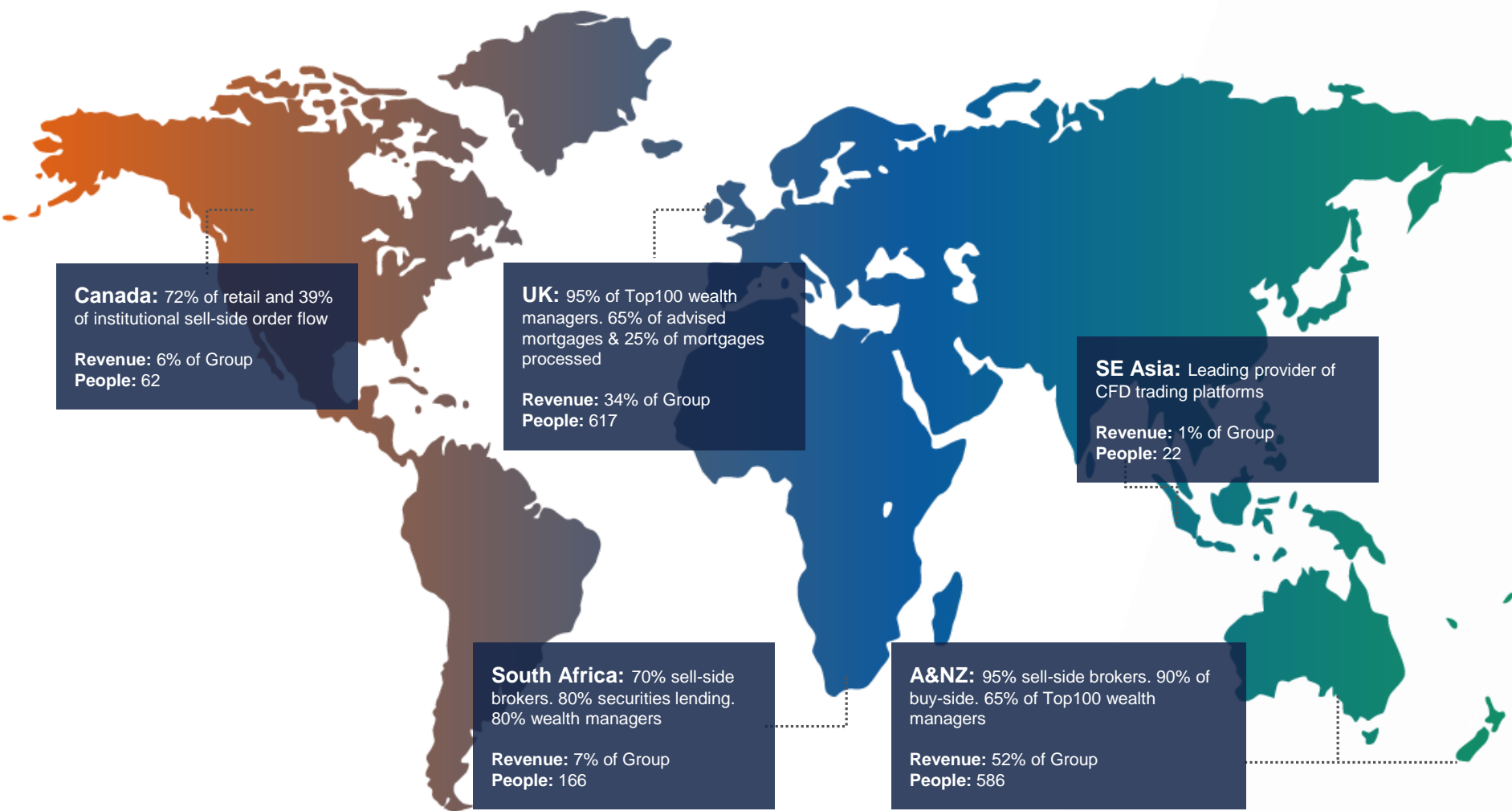


A focus on earnings diversity

Revenue growth and diversity by segment and geography



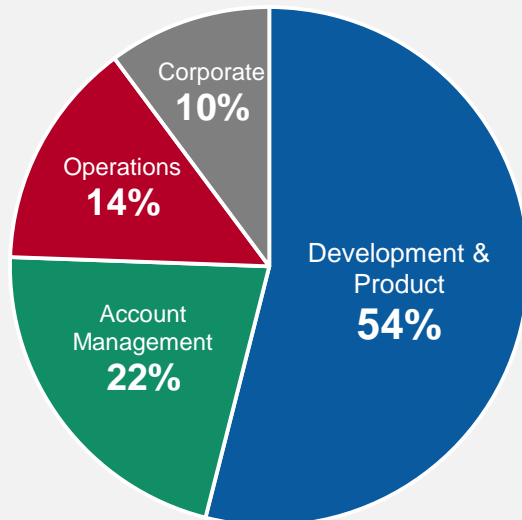
IRESS today



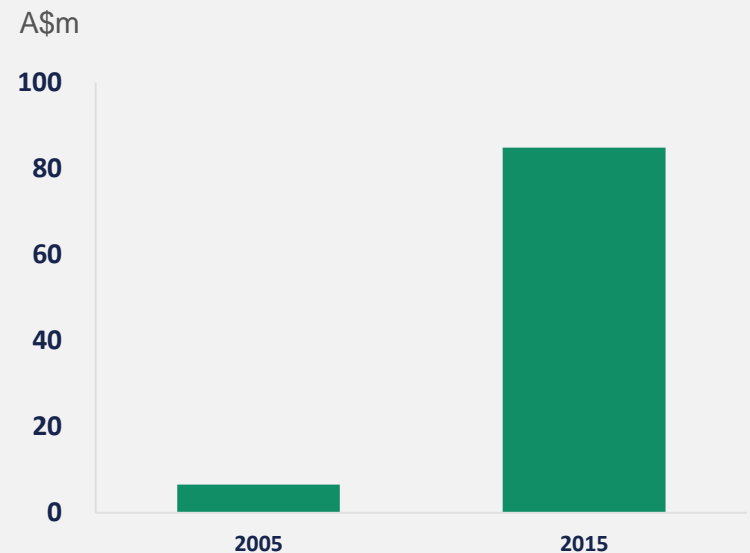
Revenue represents proportion of Operating Revenue (AUD) in 2015. People numbers reflects physical people at 31 December 2015.

Our product investment approach

People in Product & Development



Product & Development Investment



The majority (76%) of our people work on developing our products and directly supporting our clients.

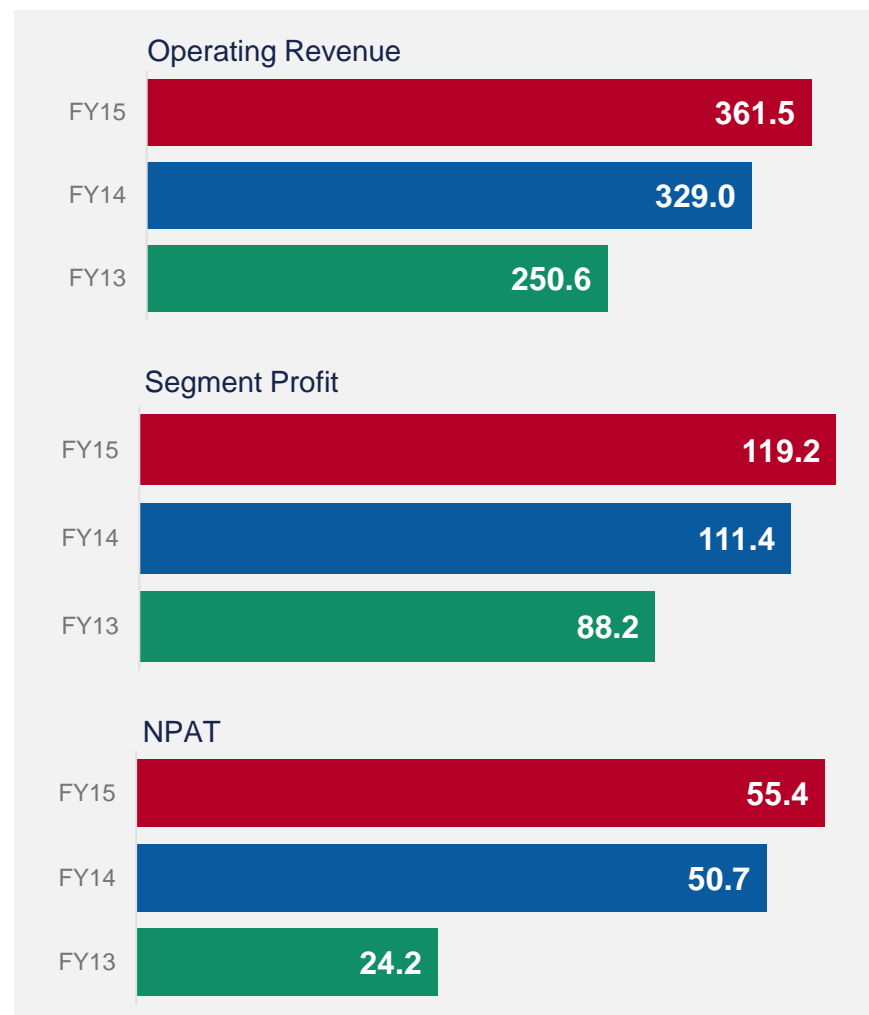
Over **50%** of our people focus on product and development.
Consistent level and proportion of costs expensed over last **10 years**.

Our 2015 financial results

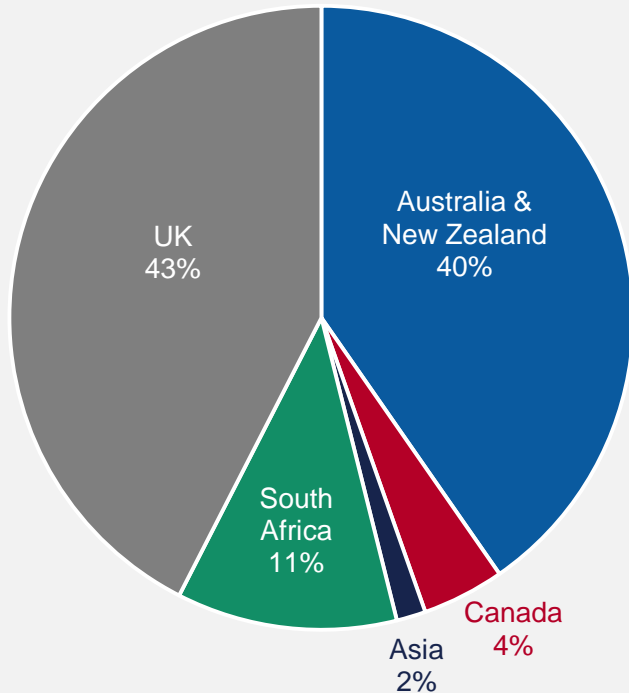
Reflects successful execution of strategy

\$Am	2014	2015	
Operating Revenue	329.0	361.5	▲10%
Segment Profit	111.4	119.2	▲7%
Segment Profit after SBP	102.5	109.3	▲7%
Reported (NPAT)	50.7	55.4	▲9%
Basic EPS (<i>c per share</i>)	32.3	35.2	▲9%
Dividend (<i>c per share</i>)	41.5	42.7	▲3%

Segment Profit \$Am (constant currency)	2014	2015	
Excluding Acquisitions	111.4	115.2	▲3%
Including Acquisitions	111.4	116.8	▲5%

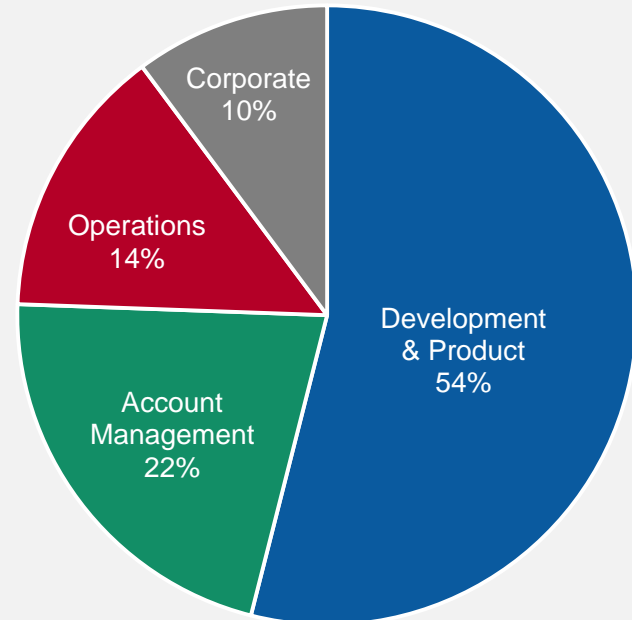


People by geography



People by location reflects our international operations and revenue profile

People by function



The majority of our people work on developing our products or supporting our customers

People & Culture

How we do things around here

One IRESS

We make things happen

- Open and direct communication
- Teamwork
- Leadership
- Non-complacent

We do things the right way

- Integrity, honesty and fairness
- Results focused
- Specialist knowledge and skills
- Humility, not arrogance

There's got to be a better way

- Creativity
- Working proactively
- Scale, not size
- Take ownership

Clients, Clients, Clients

- Business awareness
- Commercial
- Client driven
- Responsive and flexible

People & Culture - Collaborative innovation



GLOBAL HACKATHON 2016



268 IDEAS
4024 VOTES
840 CONTRIBUTORS
5 CONTINENTS
24 HOURS
99 PROJECT TEAMS
412 HACKERS



People & Culture – Community involvement



IRESS IN THE COMMUNITY

PEOPLE-LED IN 5 CONTINENTS

LOCAL EVENTS AND INITIATIVES

RUN BY PEOPLE, SUPPORTED BY IRESS

100s OF PEOPLE VOLUNTEERING



2016 YTD ACTIVITY SUPPORTS
OXFAM TRAILWALKER (AU)
SEEDS OF AFRICA (ZA)
MYTON HOSPICE (UK)
CHILDREN'S SOCIETY (SG)
BLESSINGS IN A BACKPACK (CA)



We value diversity

Our commitment to diversity is simple - we want to create and maintain a workplace where our people can achieve their best, regardless of individual differences: gender, physical attributes, family status, sexual orientation, age, race, origin, ethnicity, religious beliefs or ideology.

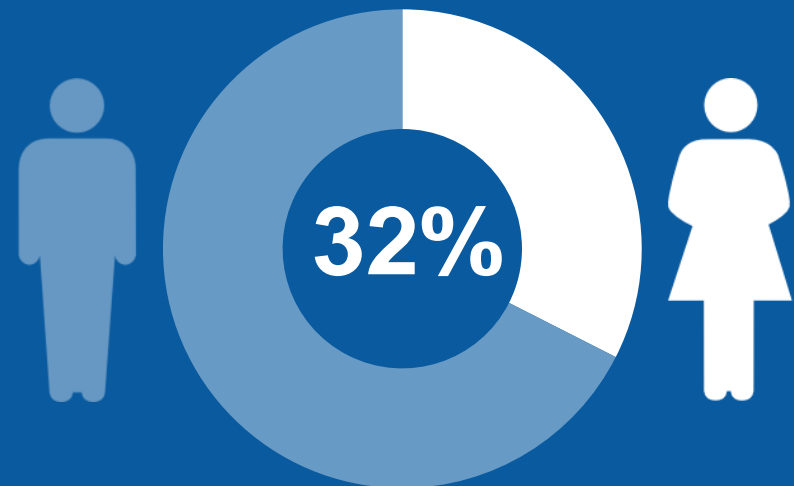
Diversity perspectives

78% feel IRESS is a business that values diversity

+7% on the previous survey (2014)

10% ahead of benchmark comparison

Gender mix



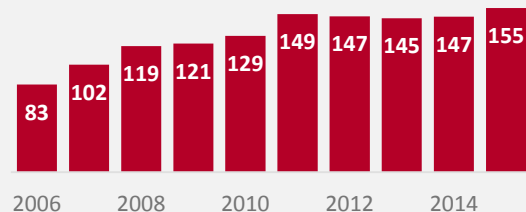
Proportion of women across the IRESS group

Market trends & opportunities

Financial Markets

- Institutional sell-side conditions remain challenging
- Investment continuing in core products to protect revenue
- Client and local opportunities remain
- Further opportunities in South Africa continue to deliver strong growth
- Asian revenue growth positive, key new client secured
- UK gaining momentum, recent acquisitions accelerate progress

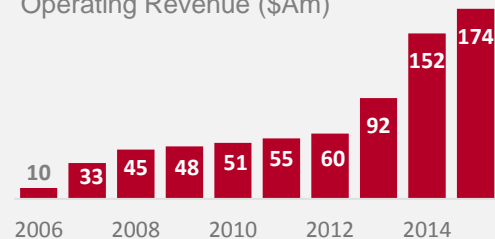
Total Financial Markets
Operating Revenue (\$Am)



Wealth Management

- Macro wealth management themes consistent globally and evolution continues to create opportunities
- Growth momentum driven by technology strength and local market relevance
- Digital engagement with clients a key focus
- Scale, efficiency and cost: income all rely on effective business & technology alignment and automation
- Compliance & oversight obligations increasing

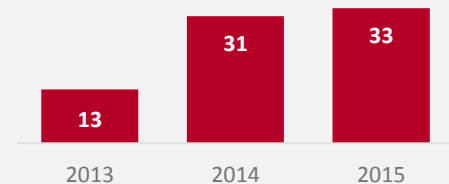
Total Wealth Management
Operating Revenue (\$Am)



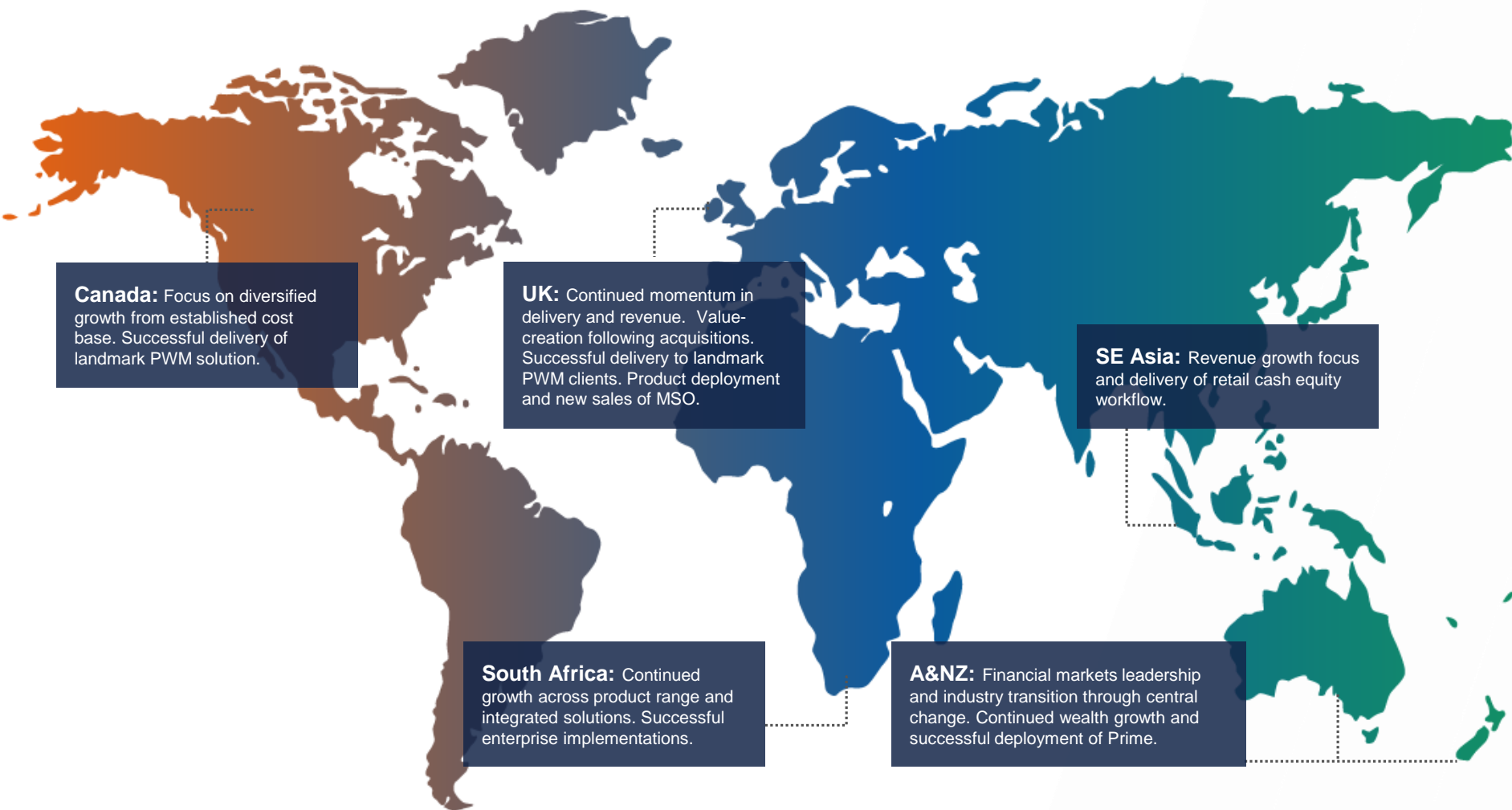
Mortgages

- Macro economic and market change dynamics continue to drive lending volumes
- All customer segments want to drive transformational improvements in cost/income ratios and technology is major enabler
- Consumers demand access to multi channel digital solutions to support E2E mortgage journey
- Lending growth trajectory driven by product leadership and early adopter success

Total Lending
Operating Revenue (\$Am)



Our business priorities in 2016



Canada: Focus on diversified growth from established cost base. Successful delivery of landmark PWM solution.

UK: Continued momentum in delivery and revenue. Value-creation following acquisitions. Successful delivery to landmark PWM clients. Product deployment and new sales of MSO.

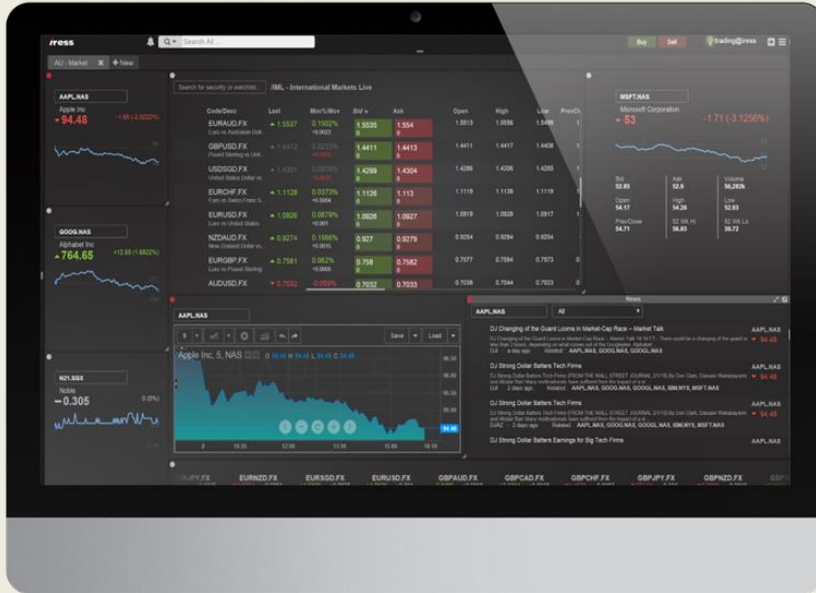
SE Asia: Revenue growth focus and delivery of retail cash equity workflow.

South Africa: Continued growth across product range and integrated solutions. Successful enterprise implementations.

A&NZ: Financial markets leadership and industry transition through central change. Continued wealth growth and successful deployment of Prime.

A focus on flexibility

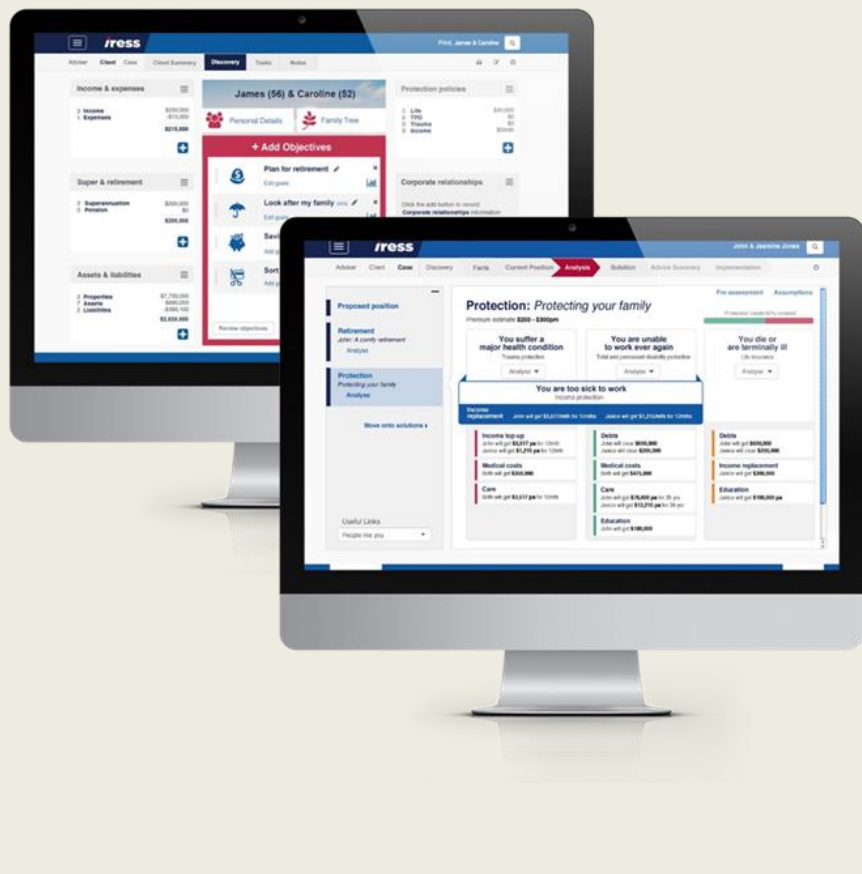
User-centered design examples leveraging IRESS core architecture



- ViewPoint - IRESS' next generation active trading platform.
- Designed for exceptional user experience.
- Built on the latest technologies leveraging IRESS core architecture.
- Design optimised for flexibility, clarity and functionality. Close collaboration and testing with end users through design and development.

A focus on flexibility

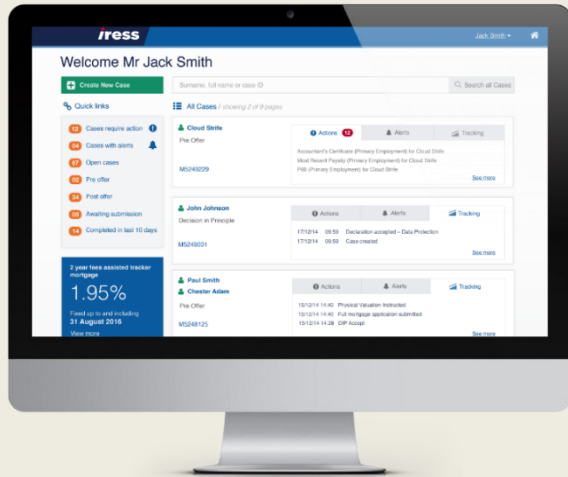
Prime scaled-advice designed for client engagement leveraging XPLAN core



- Self-directed ('robo-advice') tools allowing consumers to receive end to end advice and product/investment selection through a digital portal.
- Leveraging IRESS APIs, clients may control the user experience, branding and advice scope.
- IRESS clients maintain control of advice offered to end clients and online prospects, where digital channels support seamless experience across advice channels through unified wealth platform.
- Solutions built in a short frame, highlighting the power and flexibility of IRESS API on advice platform.

A focus on flexibility

MSO platform to meet operating efficiency and digital strategies of our lending clients



Brian & Rachel
Young couple
Age: 30s-40s
Marital status: Married
Location: London
Job title: Architect & ...

Backstory

- Have been married for 5 years and have 2 kids from step, David and Jack
- Both have senior professional work commitments
- Both enjoy going to the gym and watching sport events

Frustrations

- On getting to the end of all things with a shared interest but to work commitments
- Can't see how we can do it, possibly the level of detail they are required for
- Interest changes

Being meticulous we like to do to reduce and spend to any

Dan
Single parent
Age: 40s
Marital status: Single
Location: Cambridge
Job title: Web Developer

Backstory

- Spent 10 years working for children, and got a PhD in 2011
- David has been working as a web developer at a local digital agency for 5 years
- David has been in the UK, although struggles to fit in

Motivations

- Getting to the end of working about his family and working with his friends in the home
- Needs to fit in more days to work with his family

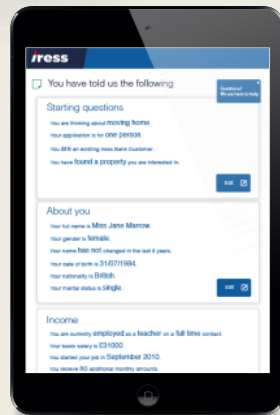
Frustrations

- Logistics - detailed and reliance on others for help
- Complexity of the mortgage process
- When you have a family and you know how long things are going to take

Ideal experience

- Wants to have access to cheap and reliable financial advice
- Wants to have a variety of different platforms

I want to be able to focus on my kids and meet up with friends once in a while.

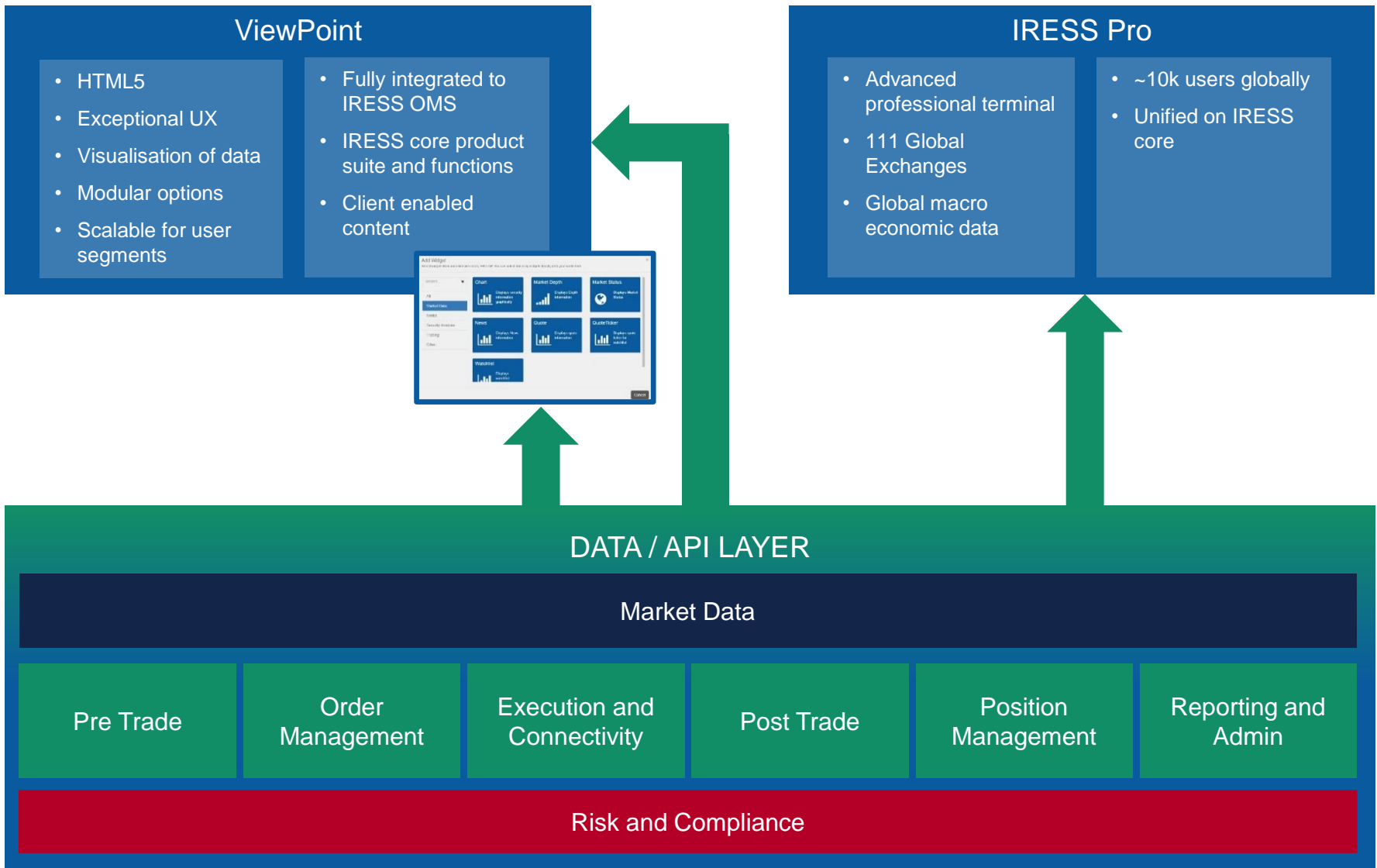


- MSO (V2) - highly configurable and functionally rich solution, to manage full Mortgage Sales and Originations process (from enquiry, to funds, to bank on-boarding)
- Modular and API-centric architecture allows lenders to deliver a seamless, multi-channel client experience with fast, streamlined approval and processing.
- Designed to bring targeted user experience to brokers, branches, online, and specialist partner channels.
- User testing with brokers and administrators ensures the right level of information is provided at the right stage of the mortgage advice process.

Introducing ViewPoint

Matt Rady Group Executive - Financial Markets

Leveraging IRESS core



IRESS ViewPoint

ANZ ASX
ANZ Banking Grp Ltd
2438 -76 (-3.02%)

BHP ASX
BHP Billiton Limited
1841 -5 (-0.27%)

RIO ASX
Rio Tinto Limited
4674 -101 (-2.12%)

MNF ASX
MNF Group Ltd
395 0.25%

Last	Code/Desc	Mov%/Mo...	Bid	Ask	Open	High	Low	PrevClo
5320.7	XJO.ASX S&P/ASX 200	0.54% +28.7	0	0	5287.5	5321.4	5264.4	5292
149.5	AAC.ASX Australian Agricult	1.01% +1.5	149	149.5	149	150	147	148
226	AAD.ASX Ardent Leisure Group	2.73% +6	226	227	220	227	218	220
539	ABC.ASX Adelaide Brighton	0.19% +1	538	539	536	540	531	538
325	ABP.ASX Abacus Property Grp	-0.31% -1	324	325	326	326	321.5	326
629	ACX.ASX Aconex Limited	0.8% +5	628	629	624	639	617	624
1901	AGL.ASX AGL Energy Limited	0.42% +8	1898	1901	1881	1901	1876	1893
402	AHG.ASX Automotive Holdings	1.01% +4	400	402	396	402	394	398
202	AHY.ASX Asacoo Care Limited	3.59% +7	201	202	196	202	195.75	195

MARKET
MAY 9 02:17 ET -5°
US 2YR NOTE 0.738% +0.004
US 5YR NOTE 1.234% +0.005
US 10YR NOTE 1.785% +0.009
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TSX COMPOSITE FALLS 1.79% FOR THE WEEK
8.09▲0.03 HOR. NYMEX CRUDE BULL (HOU) 4.41▲0.05
BE SYS (ADBE) 94.30▲0.80 ANALOG DEVICES (ADI) 55.

BHP ASX
BHP Billiton Limited 5 ASX
Open 1841.00 High 1841.00 Low 1841.00 Close 1841.00

News Feed:
DJ PTA-News: Masterflex SE: Upturn in revenue and return to a double-digit EBIT margin in Q1
WA-Sharks not overlooked in WA budget+2
CitFirst Mason Stevens Strike Changes Effective 10 May2016

Market Ticker:
AMP.ASX +4 ANZ.ASX -2438 -76 BHP.ASX -1841 -5 BXB.ASX +1309 +4 CBA.ASX +7578 +143 CSL.ASX +11000 +85 IAG.ASX +600 +7 MQG.ASX +6700 +190 NAB.ASX +2845 +26 QBE.ASX +1142 +3 RIO.ASX -4674 -101

Evolving advice landscape

Aaron Knowles Group Executive - Product



Regulation change

- Fiduciary duty to clients, applied differently in different markets
- Retirement savings incentivisation & varying complexity
- Addressing longevity risk & advice accessibility
- Mortgage and debt advice licensed differently
- Active fintech engagement to help solve advice accessibility
- Robo models and digitisation while protecting advice consumers
- Data aggregation & accessibility of data
- Data protection regulation

Technology driven



- User experience & accessibility 24/7
- Mobility
- Disposable nature of design and front-end
- Innovation & rapid iteration
- Building solutions for adaptation and agility
- Consistency of brand experience across online / mobile / face to face / mail



iress





Client expectations

- Changing demographics
- Democratisation of technology
- Trust
- Data security & privacy
- Mobility
- Price / cost transparency. Fee for professional services
- My financial life online
- Choice of style of advice and delivery method
- Increasingly about the experience

Advice delivered via 'channels'



 <p>Holistic Advice</p>	 <p>Guided Advice: Face to Face</p>	 <p>Guided Advice: Phone / Online</p>	 <p>Self-directed "Robo" advice</p>	 <p>Execution only</p>
<ul style="list-style-type: none"> • Handles high complexity and inter-dependent strategy decisions • Comprehensive feature set 	<ul style="list-style-type: none"> • Advice provided with adviser and client together, facilitated by technology • Engaging experience, less complex • Fast & highly repeatable, but less flexible 	<ul style="list-style-type: none"> • Very simple calculations & problem solving – easy to understand • Tightly linked to human support channel who have same view (screen share) 	<ul style="list-style-type: none"> • Highly brand-able, consistent language and presentation with brand • Simple advice problems and options • Built for scale, so want to ensure limited need for human help 	<ul style="list-style-type: none"> • Non-advice • Highly brand-able and configurable • Integration to Product Manufacturer

Multiple advice channels today

People don't stick to one channel forever and don't want to switch advice providers as their needs evolve. **Providers need multiple channels.**

Trends:

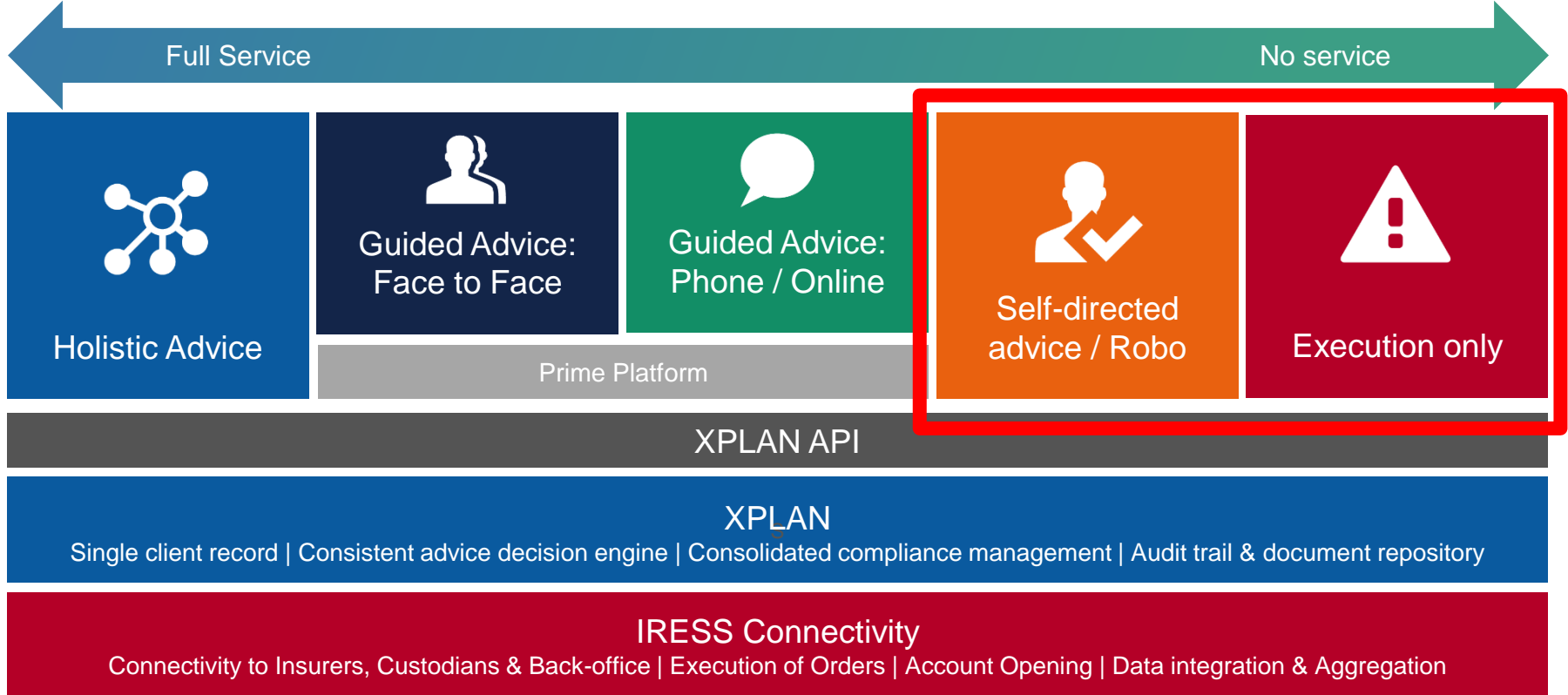
- Rise of the holistic, or family-office/full-service model in IFA segment
- Increase in need for Scalable Guided Advice model in response to challenge of commercial, compliant and highly accessible advice provision
- Digital entrenched in all channels, but in different ways

Core advice architecture



Response: An Advice Platform

One system supporting multiple channels, providing consistent advice and customer experience



- API is a key enabler
- Differentiated technology solutions to differentiated propositions
- Consistent core technology
- Ability to stand-up new solutions rapidly and with responsiveness

Self-directed (“Robo”) solutions



Self-directed advice



Execution only

Corporate & Bank

Own front-end and own branding
Within existing portal / net banking
Tightly integrated to core CRM
Complementary experience with rest of corporate digital strategy

Wealth Manager

Integrated to core investment research and portfolio models
Connectivity to professional adviser on demand: complements other services
Leverages from rest of back-office processes and connectivity

Independent Financial Adviser

Easy to implement for non-technologists. Minor configurability and branding
Key referral / human contact options along journey
Consistent outcomes with face to face advice
Easy to track & monitor

Very simple concepts, non-personal advice
Limited implementation/product options
Very light support model
Possibly integrated to advice referral channel
Stats and transparency for follow-up to close business
Efficiency via integration to account opening and execution is key to scale

XPLAN API

IRESS XPLAN

Single client record | Consistent research & decision engine | Consolidated compliance management | Audit trail & Doc repository

IRESS Connectivity

Connectivity to Custodians & Back-office | Execution of Orders | Account Opening | Data integration & Aggregation

One channel isn't enough

Financial Planning

All Sections ▾

Schwab Unveils Robo Advisor for RIAs

in +

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IBM Watson-infused advisers, not beat t

By William Sprouse

Published May 06 2016, 3:11pm EDT

Print

IBM Watson, the computing for treating lung cancer, is

More in

Lawrence Delevingne | @ldelevingne
Wednesday, 15 Oct 2014 | 8:00 AM ET



Invesco acquire of advisor-focus

Invesco Jemstep will combine Inve leadership to deliver a comprehens Jan 12, 2016, 09:15 ET from Invesco

If you can't beat the robots, join t

That's what Betterment—the ultra-low cost, computer-driven personal

Nutmeg to offer advice and 'change the face of the industry'

By James Phillipps / 28 Aug, 2015



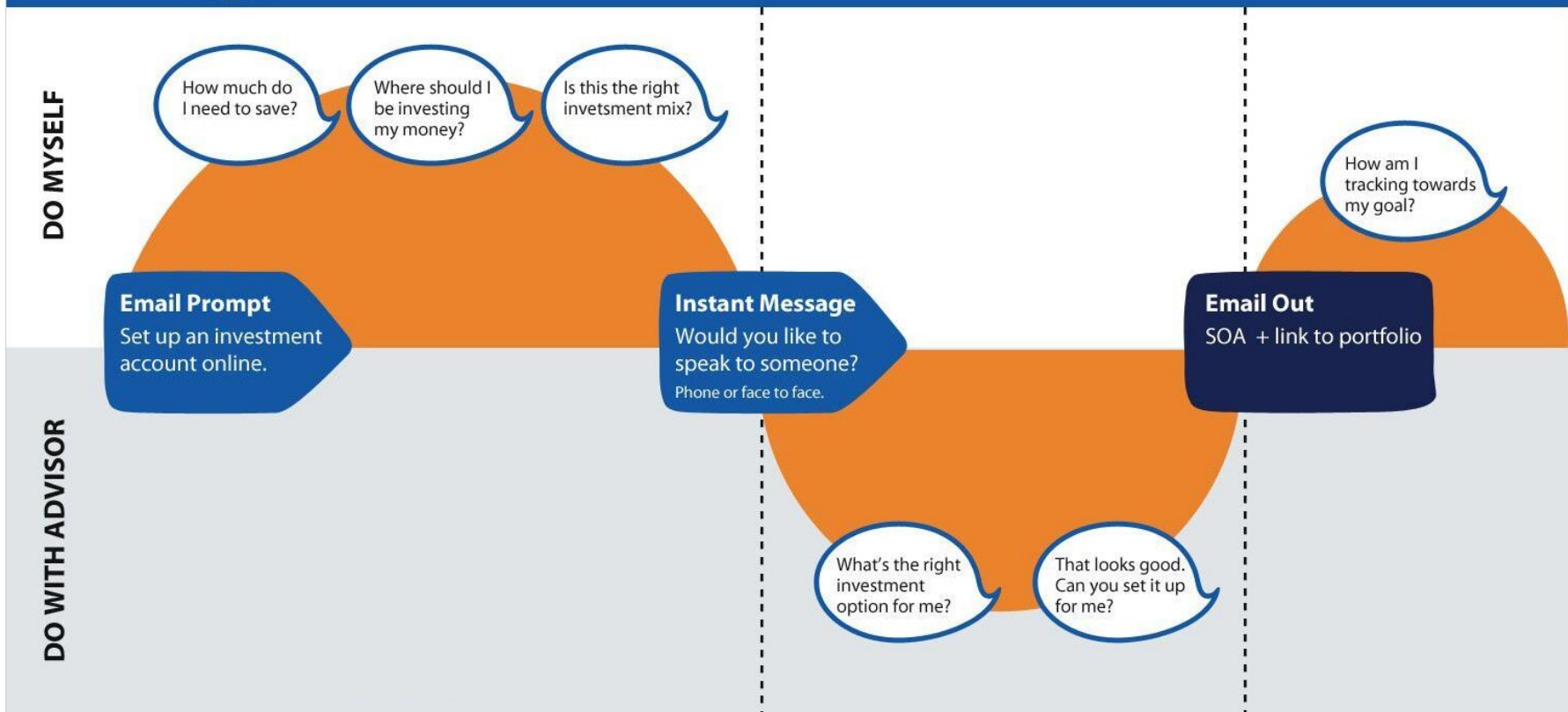
Nutmeg is planning to start offering financial advice in a move that chief executive Nick Hungerford says will 'change the face of the industry'.

Starting out in self-directed



James, 26

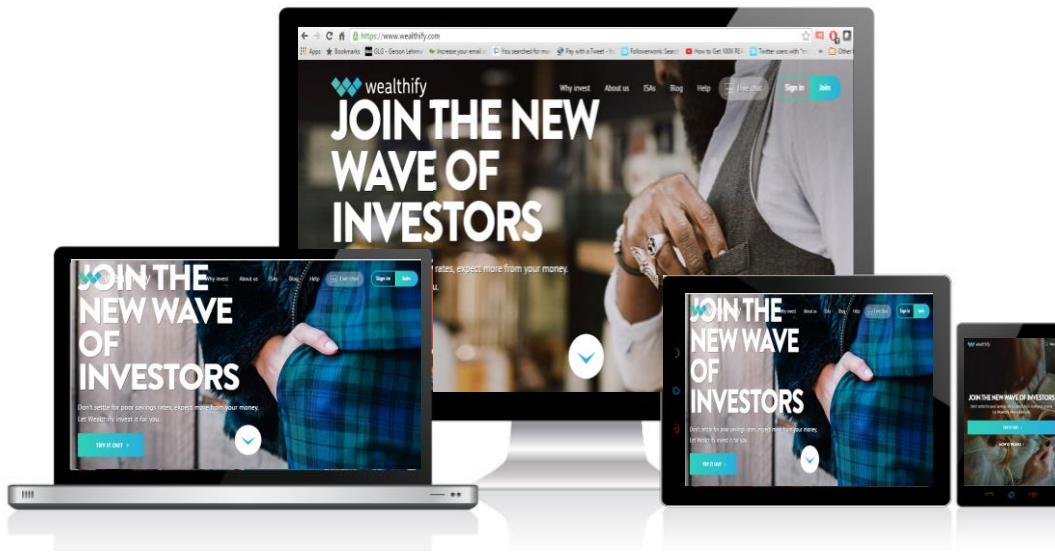
Just got a new job with a big pay rise. He's decided to get serious about saving for a house deposit with his girlfriend as they have moved in together and the rent is expensive.



Robo solutions: Wealthify

Flexible creative software solution with full IRESS API support

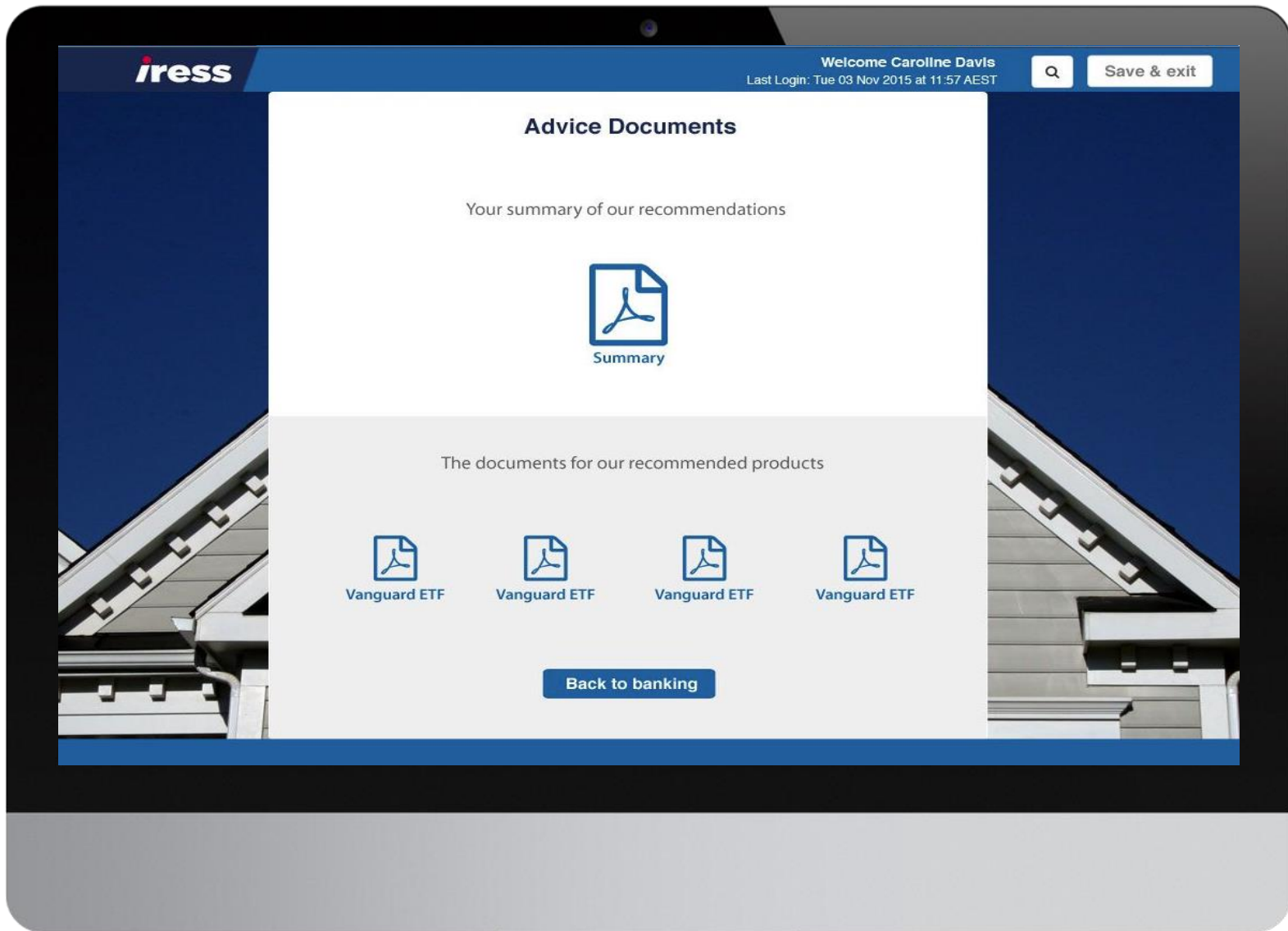
The flexibility of the IRESS platform also allows for digital-only solutions such as Wealthify to interact through full API support. Wealthify leverages IRESS' platform for global market information, portfolio management including re-balancing and optimisation, and order management and execution.



“We made the decision to partner with IRESS based on the flexibility of the technology and their proven capability to deliver. The result has more than lived up to our expectations and has been a key aspect of our ability to bring new services with speed to market.”

Richard Avery-Wright - Chairman at Wealthify

Robo solutions: 'IRESS bank'



Same solution, different skin

Summary

You told us

50 years old
\$50,000 initial investment
Monthly : \$300 ongoing contributions

We recommend a GROWTH portfolio

ASSET CLASS	ALLOCATION	INVESTMENTS	FEES
Domestic Equity	40%	• iShares Core S&P/ASX 200 ETF - Exchange Traded Fund Units Fully Paid (IOZ)	0.15%
Alternative	10%	• Vanguard Flse Emerging Markets Shares ETF - Exchange Traded Fund Units Fully Paid (VGE)	0.48%
International Property	10%	• SPDR DOW JONES GLOBAL REAL ESTATE FUND - Exchange Traded Fund Units Fully Paid (DJRE)	0.50%
Domestic Fixed Interest	20%	• Russell Australian Select Corporate Bond ETF - Exchange Traded Fund Units Fully Paid (RCB)	0.28%
International Equity	20%	• iShares Global 100 ETF - Chess Depository Interests 1:1 Ishglb100 (IOO)	0.40%

Self-directed (“Robo”) solutions



Self-directed advice

Corporate & Bank

Own front-end and own branding

Within existing portal / net banking

Tightly integrated to core CRM

Complementary experience with rest of corporate digital strategy

Wealth Manager

Integrated to core investment research and portfolio models

Connectivity to professional adviser on demand: complements other services

Leverages from rest of back-office processes and connectivity

Independent Financial Adviser

Easy to implement for non-technologists. Minor configurability and branding

Key referral / human contact options along journey

Consistent outcomes with face to face advice

Easy to track & monitor



Execution only

Very simple concepts, non-personal advice

Limited implementation/product options

Very light support model

Possibly integrated to advice referral channel

Stats and transparency for follow-up to close business

Efficiency via integration to account opening and execution is key to scale

XPLAN API

IRESS XPLAN

Single client record | Consistent research & decision engine | Consolidated compliance management | Audit trail & Doc repository

IRESS Connectivity

Connectivity to Custodians & Back-office | Execution of Orders | Account Opening | Data integration & Aggregation

Delivering Guided Advice



XPLAN Prime: Guided advice

- Designed for very specific advice scenarios, offered as a 'menu'
 - Focusses the client on their goals & objectives
 - Goals & Objectives allow simple strategy optimisation and focusses the scope
 - Focus on streamlined process reduces advice production time significantly without compliance risk
 - Highly consistent outcomes means rules-based advice compliance management
 - Integrates to holistic advice platform
- Designed with large advice networks in mind, but equally suitable for any adviser providing guided advice
 - High focus on the User Experience from the *advice recipient's* perspective
 - Consumer interviews with shadow adviser
 - Lots of Adviser testing
 - Terminology & process carefully thought through to ensure highly collaborative, inclusive experience
 - Many iterations in design stage

Demonstration - Prime

Summary

- There isn't one advice model, isn't one Robo model to suit all. Diversity and adaptability key to providing advice technology at scale.
- Advice providers are increasingly operating across multiple advice 'channels'. Separate technology per advice channel can introduce risk and inefficiency.
- Advice propositions will continue to evolve rapidly in response to regulatory change, commercial drivers and consumer expectations.
- Rather than define solutions for customers we focus on enabling their chosen business & commercial model.
- Core components re-packaged over & over brings scale, reliability & consistency without averaging the user experience.

Morning Tea

Market Overview

UK Wealth Management

Simon New Group Executive - Strategy

Contents

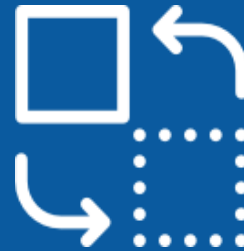
Market
description



Recent
history



Change
drivers

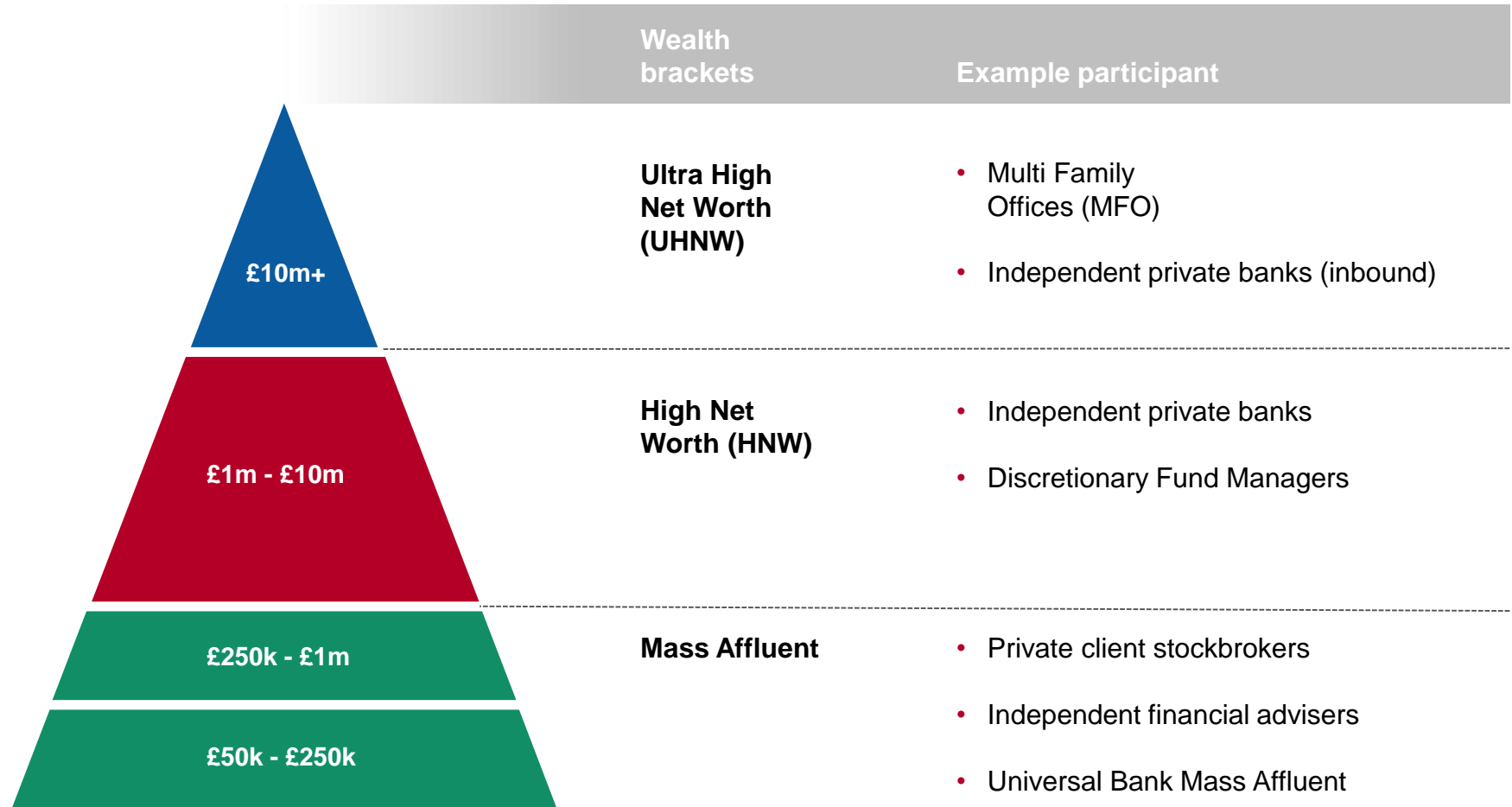


IRESS
responses



UK market snapshot

Wealth Management in the UK is a deep market across multiple client segments.



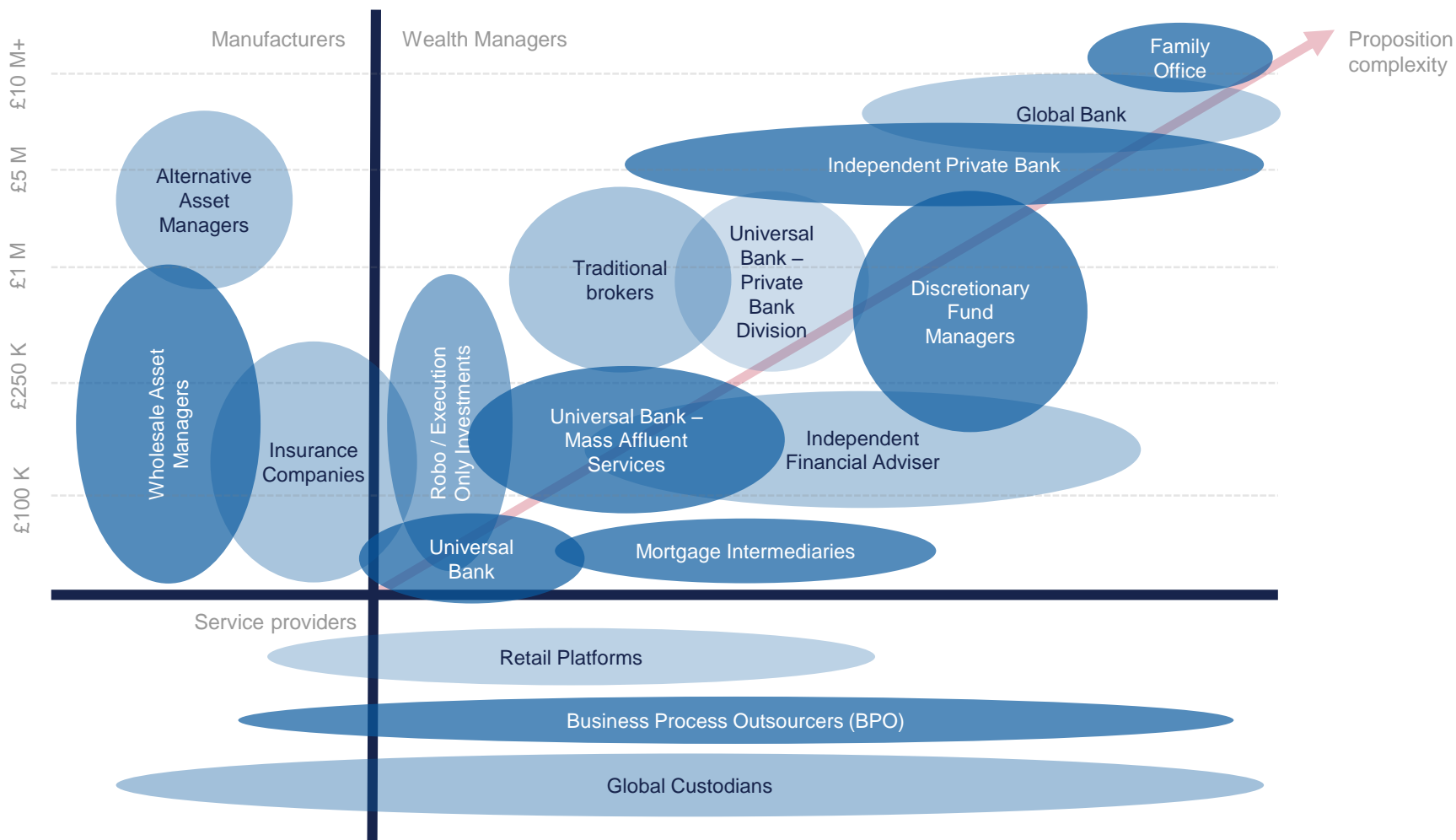
Client segment needs

Participants are typically found to operate across client segments and therefore client needs. This requires flexibility and capability across product and service propositions, frequently a challenge with legacy technology.

Assets		Product needs			Financial advice needs
Ultra-HNW	£10m+	<ul style="list-style-type: none"> Cash Group pensions Personal pensions ISAs UK equities Unit trusts / OEICS <ul style="list-style-type: none"> Large Cap Balanced Passives Annuities Protection / Insurance 	<ul style="list-style-type: none"> SIPPs Unit Trusts/OEICS <ul style="list-style-type: none"> Small-mid cap sectors Emerging Mkts On-shore bonds Off-shore bonds Income drawdown FX Established market equities ETF's 	<ul style="list-style-type: none"> Structured products Hedge Funds Derivatives Property funds /collectives Private placement Global equities 	<ul style="list-style-type: none"> Trust planning Fiduciary services SME: value extraction Specialist tax advice Cross border strategies "Team of experts" (legal etc)
High Net Wealth (HNW)	£1m - 10m				<ul style="list-style-type: none"> Comprehensive financial planning (Ongoing) Pension consolidation Tax advice IHT / Estate planning
Mass Affluent	£250k – 1m				<ul style="list-style-type: none"> Financial planning (One off) Simplified / Focussed advice Guidance and information Retirement planning Post-retirement planning (50+) Child savings
	£50k - £250k				

Market orientation

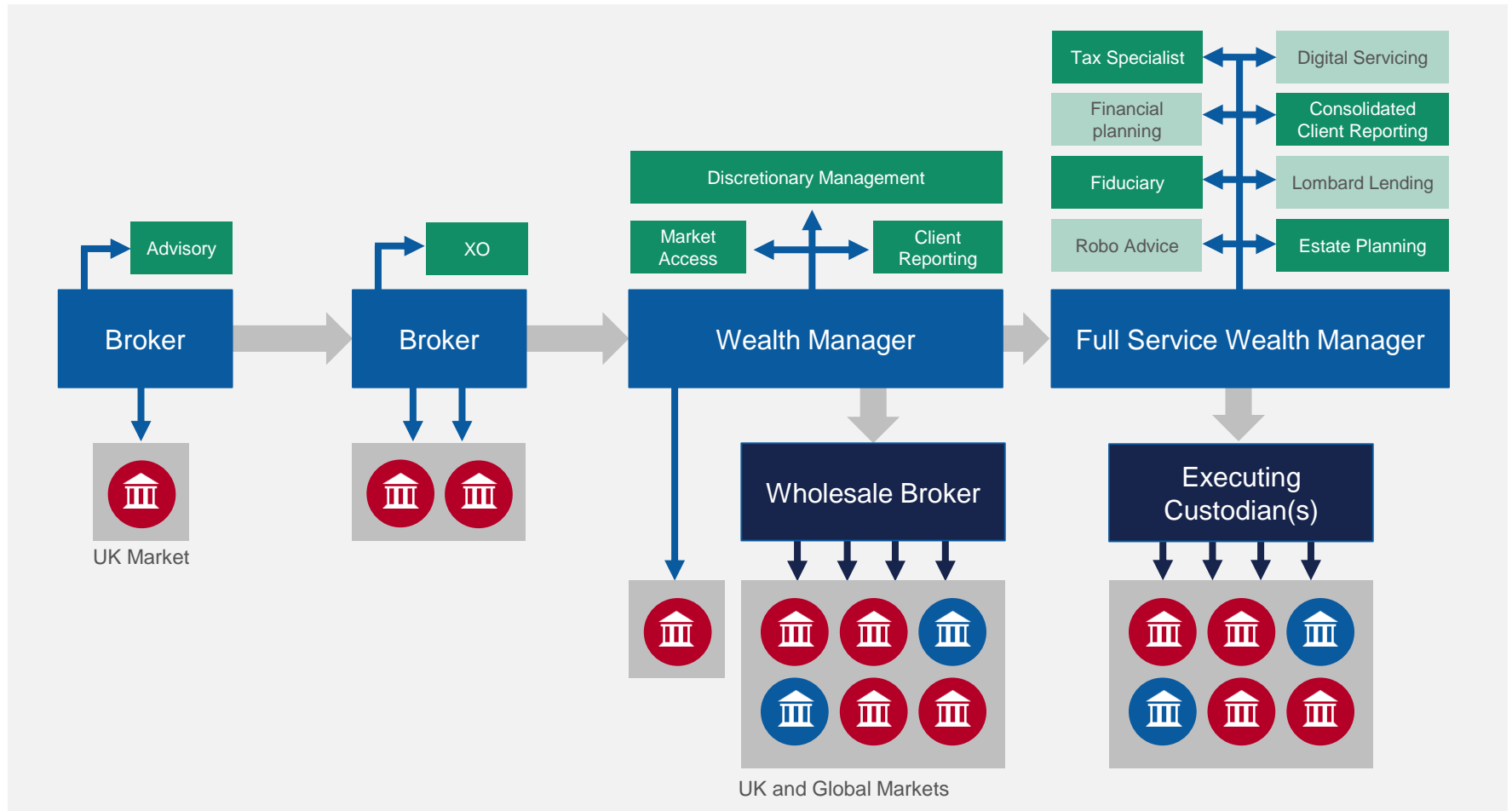
The wealth market is serviced by a diverse range of business models, standalone or complex / multi-brand participants. While still fragmented, significant overlap exists, and convergence is increasingly prevalent.



Recent History

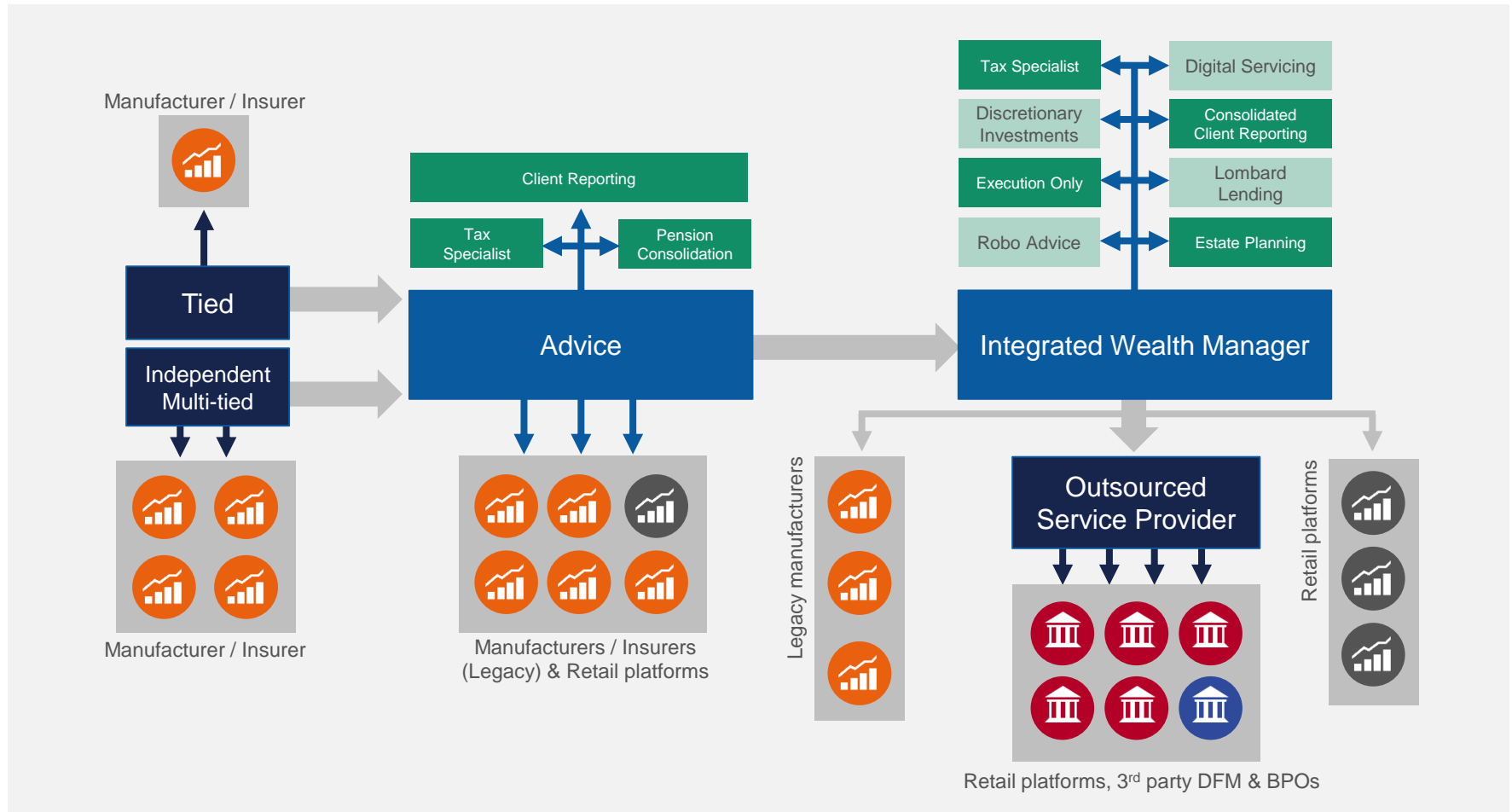
Convergence from broking

Stockbroking models have evolved through market structure, client expectation, and revenue pressure. Increasingly, adding services has been evident as participants have sought to address client need and retain clients / revenues.



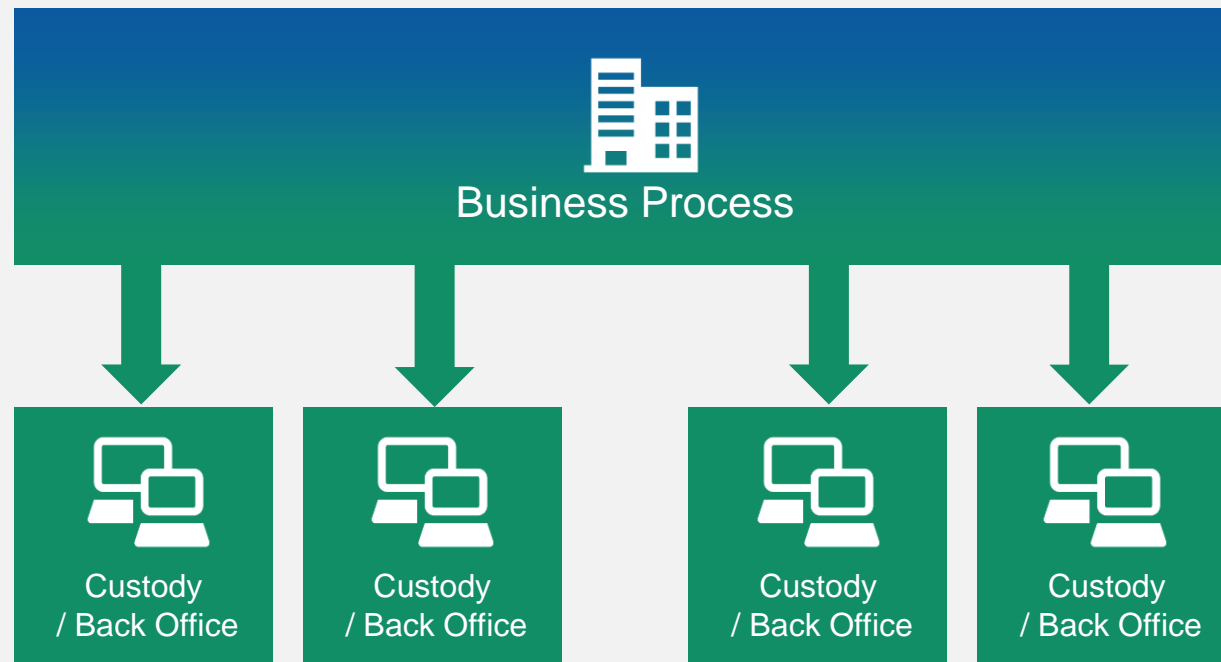
Convergence from planning

Planning / advice models have evolved through regulatory censure and reform, market structure, client expectation, and revenue pressure. As remuneration structures have changed, a trend to integrated wealth models is evident.



Operating model reality

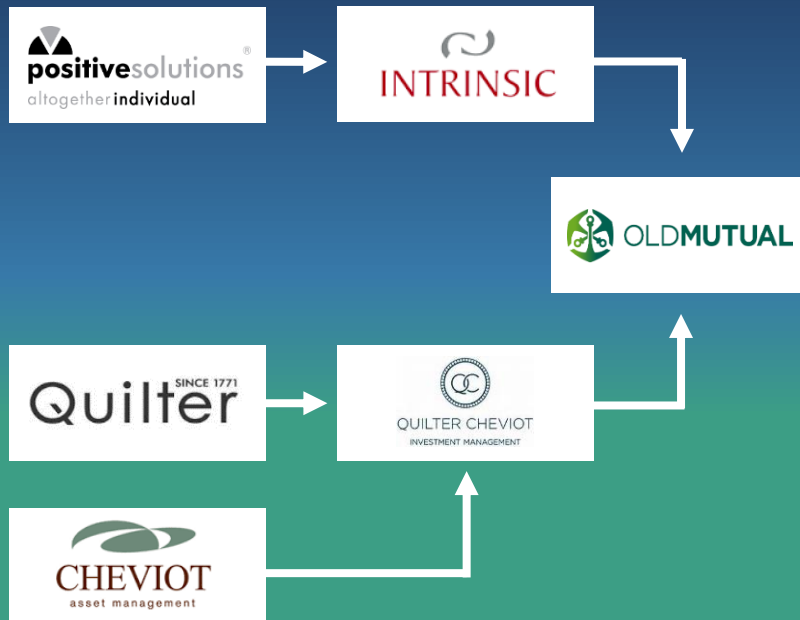
Technology fundamental to normalizing business process over reality of operational complexity, regulatory scrutiny, and multiple custody solutions.



Recent market activity

Whilst there are examples of organic convergence, convergence through consolidation has accelerated and dominates press headlines.

Convergence through consolidation

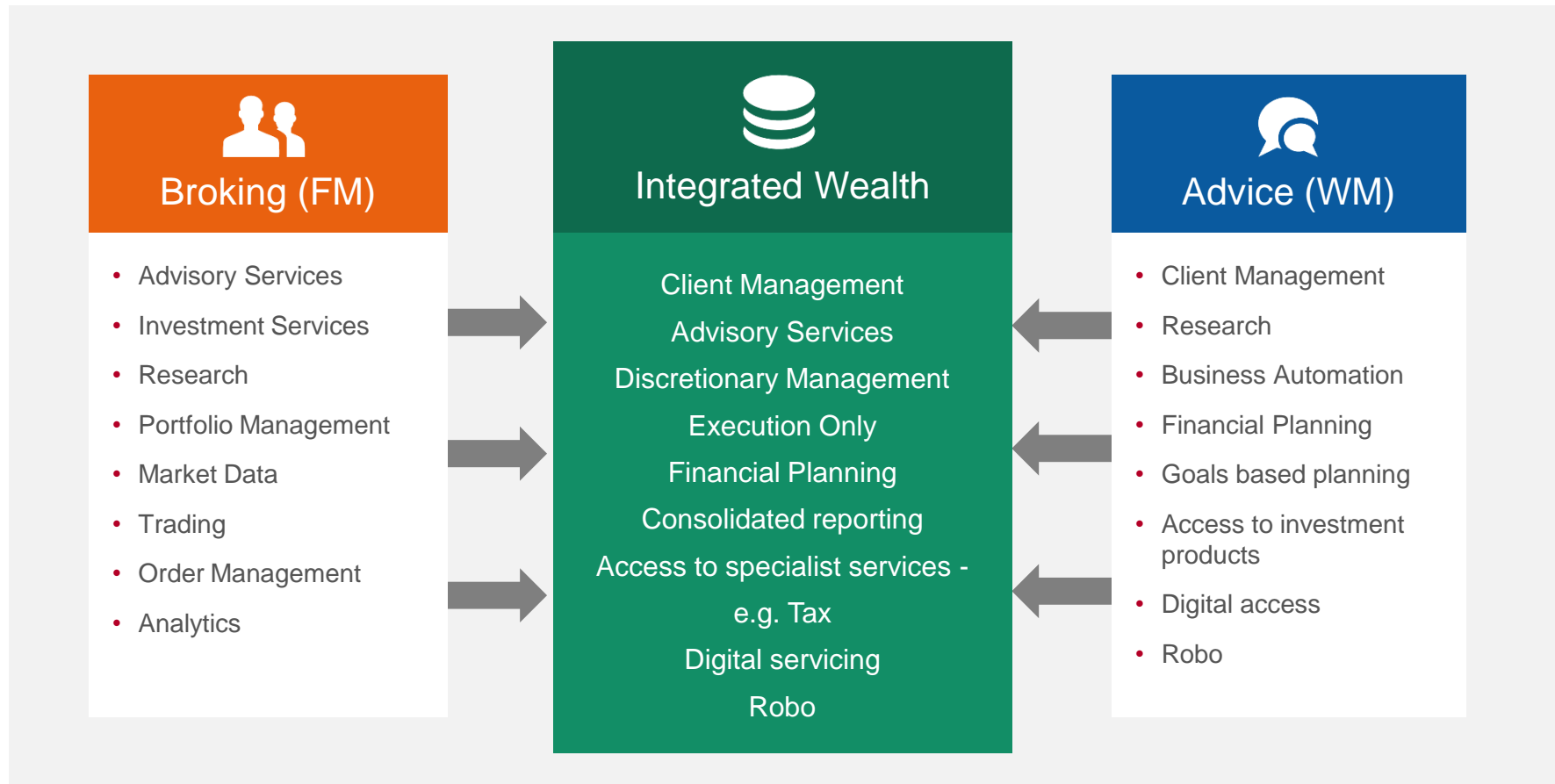


Scale through consolidation



Integrated wealth management

A large and growing number of participants now provide a range of services. These span execution only, private asset management, advice, digital servicing... and usually span multiple legacy systems.



Change drivers

Client expectations



- Changing demographics
- Digital expectation
- Trust and security
- Channel preferences
- Advice v. guidance
- Omni-channel experience
- Differentiation by segment
- Restoration of Trust
- Suitability
- Price / cost transparency
- Flexibility

Regulation change

- Increased intrusion
- MIFID II
- FAMR
- CRS (Common Reporting Standards)
- SMR (Senior Managers Regime)
- Pensions Freedoms
- FATCA
- CRD IV
- RDR – fee transparency and sunset clause
- Data protection regulation



Market disturbance



- Digitalisation
- New entrants and business models
- Client focus and retention
- Talent scarcity
- Platform rationalisation
- Market consolidation
- Re-entry of Banks
- Vertical integration
- Automation
- Advice consistency
- Cost and revenue pressure
- Regulator encouragement

Technology driven

- Ageing and complex legacy systems
- Under investment
- Consolidation
- Info sec
- New models
- Insource v outsource
- Innovation
- Greater use of data e.g. pension dashboard / banking APIs
- Entry of tech players to market



Impacts on Participants

- Regulatory paranoia
- Increasing cost pressure
- Priorities v available capital
- Renewed focus on efficiency
- Achieving viable scale
- Compliance substantiation
- Demonstrating consistency of advice
- Emergence of the 'Advice gap'
- 'Herd' mentality – e.g. Robo



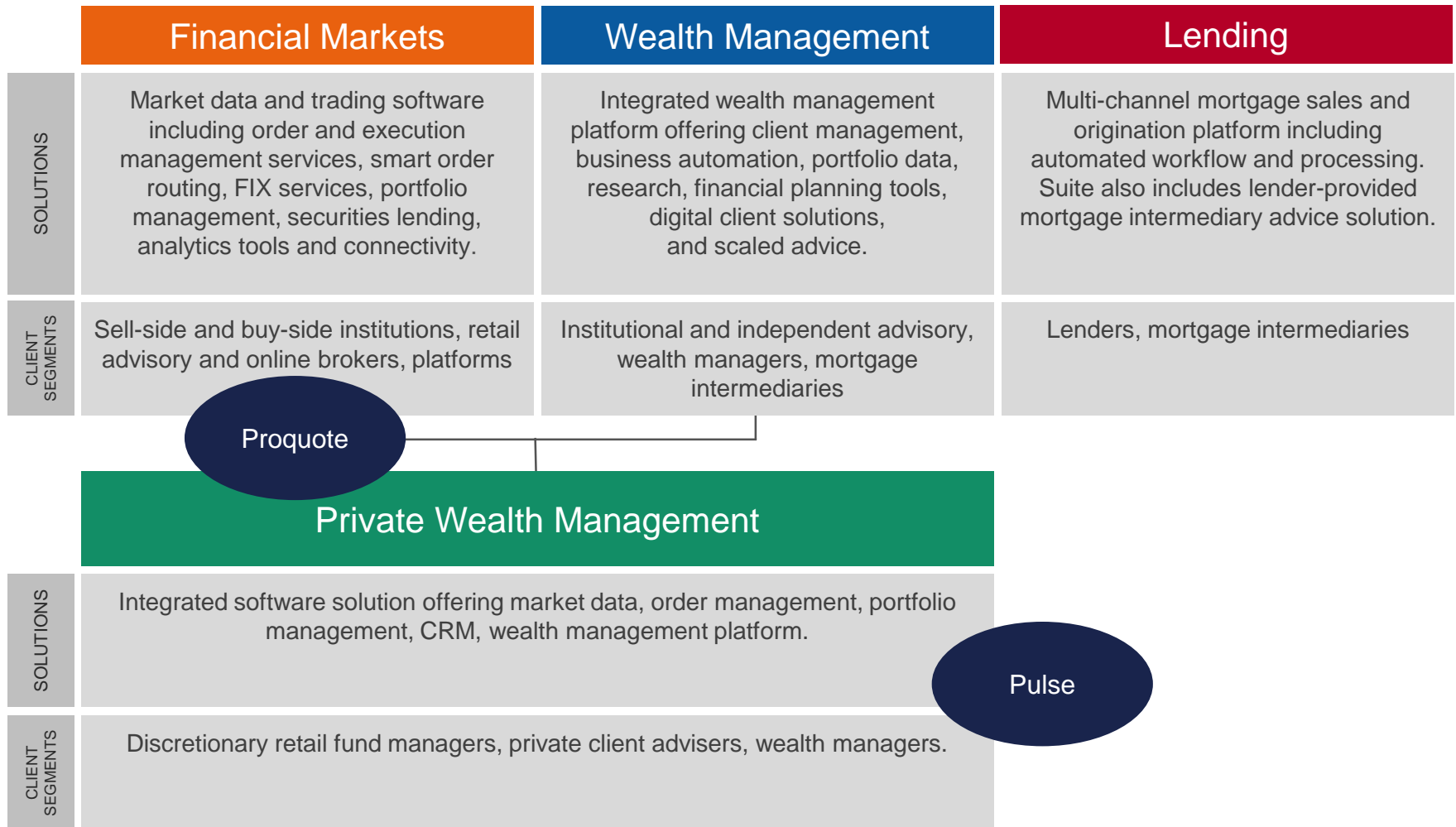
Participant Response

- Continued convergence
- Increased consolidation
- Apathy no longer an option
- Move to strategic investment
- Increase in client centricity
- Proposition based segmentation
- Distribution / channel interaction
- Addressing the 'Advice gap'
- Technology as enabler
- Contradictory behaviours

Our responses

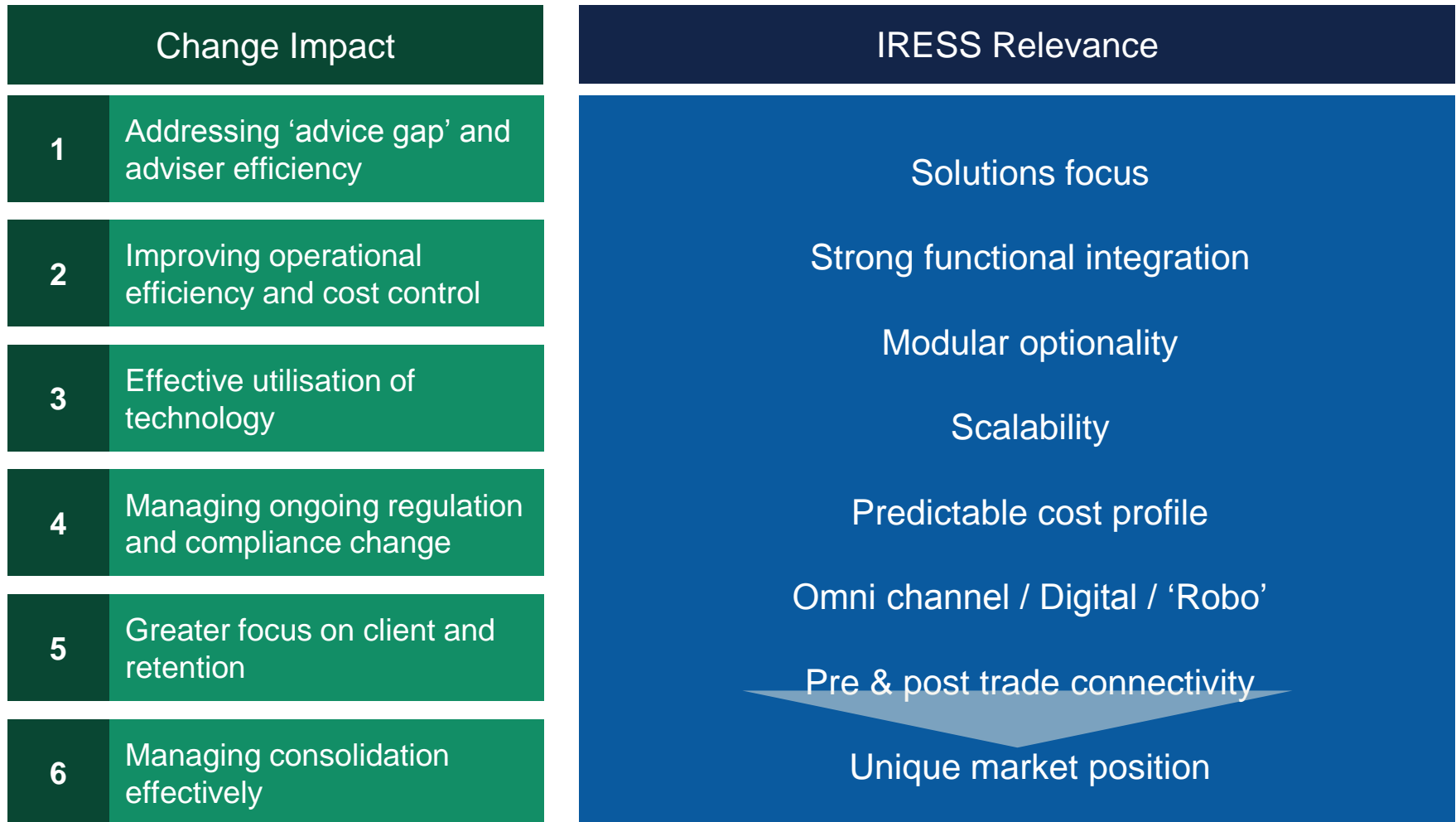
Our unified capability

The acquisition of Proquote & Pulse have expanded and accelerated people & product capabilities.



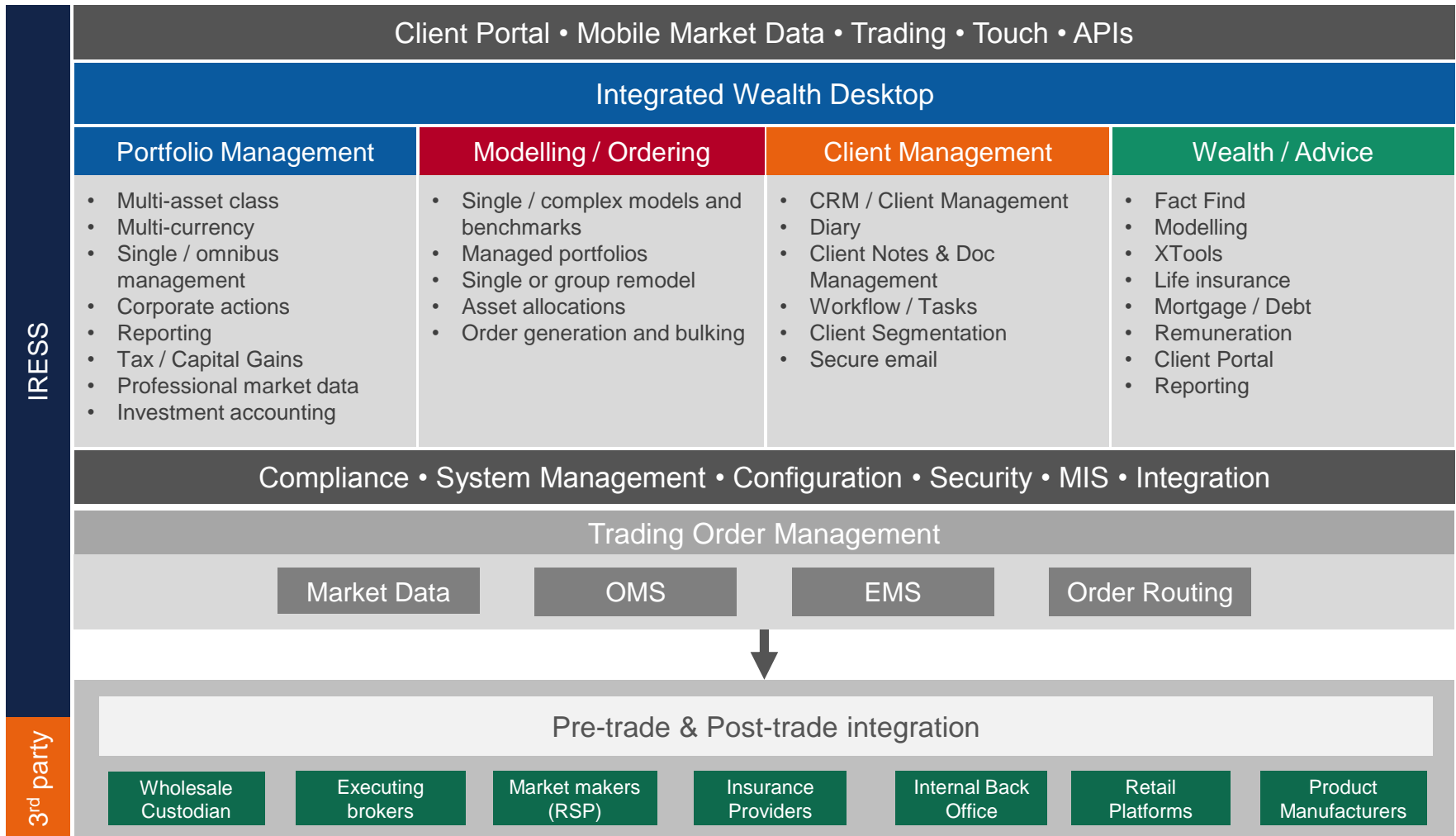
Response to market opportunity

Ongoing investment continues to enable timely responses to impacts on participants.



IRESS functional capability

IRESS' integrated capability allows all client segments to be serviced effectively, providing greater coverage and opportunity.



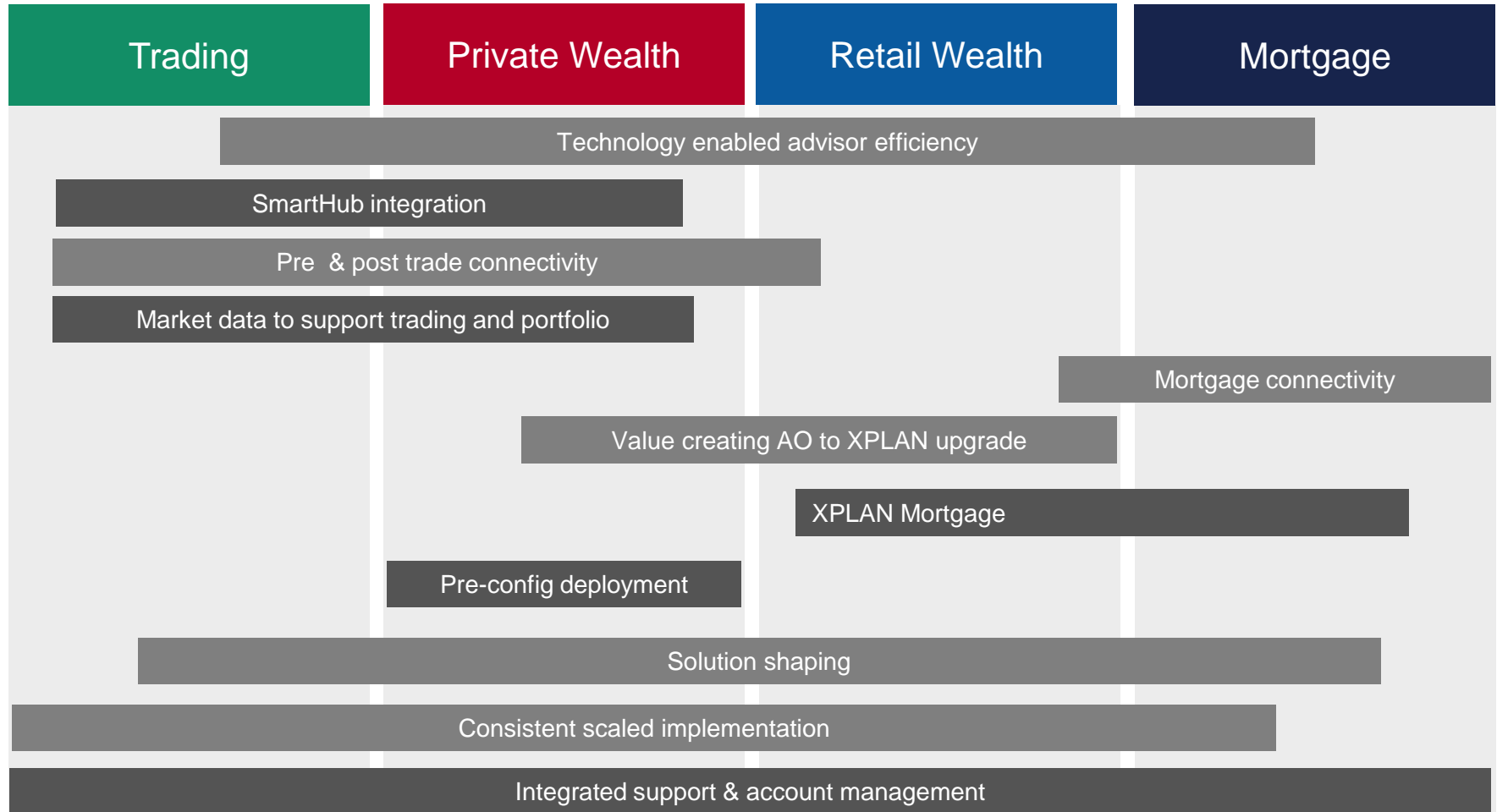
Segment-based implementation

Implementation approach is shaped by factors including budget, timeline, expectation and scope. Our approach varies based on those factors by typically follows the pattern below.

	IFA	Mid-size licensee	Private Wealth	Institution
Approach	<ul style="list-style-type: none"> Standard product(s) Packaged / light configuration 	<ul style="list-style-type: none"> Standard product(s) Tailored solution Focus on process improvement and standardisation / normalisation 	<ul style="list-style-type: none"> Standard products Tailored - with customised digital Process improvement Systems consolidation and normalisation 	<ul style="list-style-type: none"> Standard products Packaged / Tailored Process optimisation at scale Multi channel Normalisation
Scope	<ul style="list-style-type: none"> Simple organisation structure Limited roles - typically Fin Planner and admin Replacing existing capability and / or paper 	<ul style="list-style-type: none"> Single brand / entity – formed from acquisitions Limited roles but complex legacy operating model Replacing single or multiple components 	<ul style="list-style-type: none"> Multiple components 3rd party integrations Multiple roles – covering investment, planning and administration Complex mix of legacy systems Complex blend of delivery channels Multiple implementation transition states 	<ul style="list-style-type: none"> Multiple brands Extensive geographical spread and multiple roles Process consolidation and alignment Multiple delivery channels Multiple legacy systems Phased ‘roll-out’
Data	Limited data, or standard source	More extensive data, standard source	Multiple sources – 3 rd party, standardised, non-standard	Typically standard source, other sources incl. proprietary
Time	From days to weeks	6-9 months	12-18 months	18-24 months

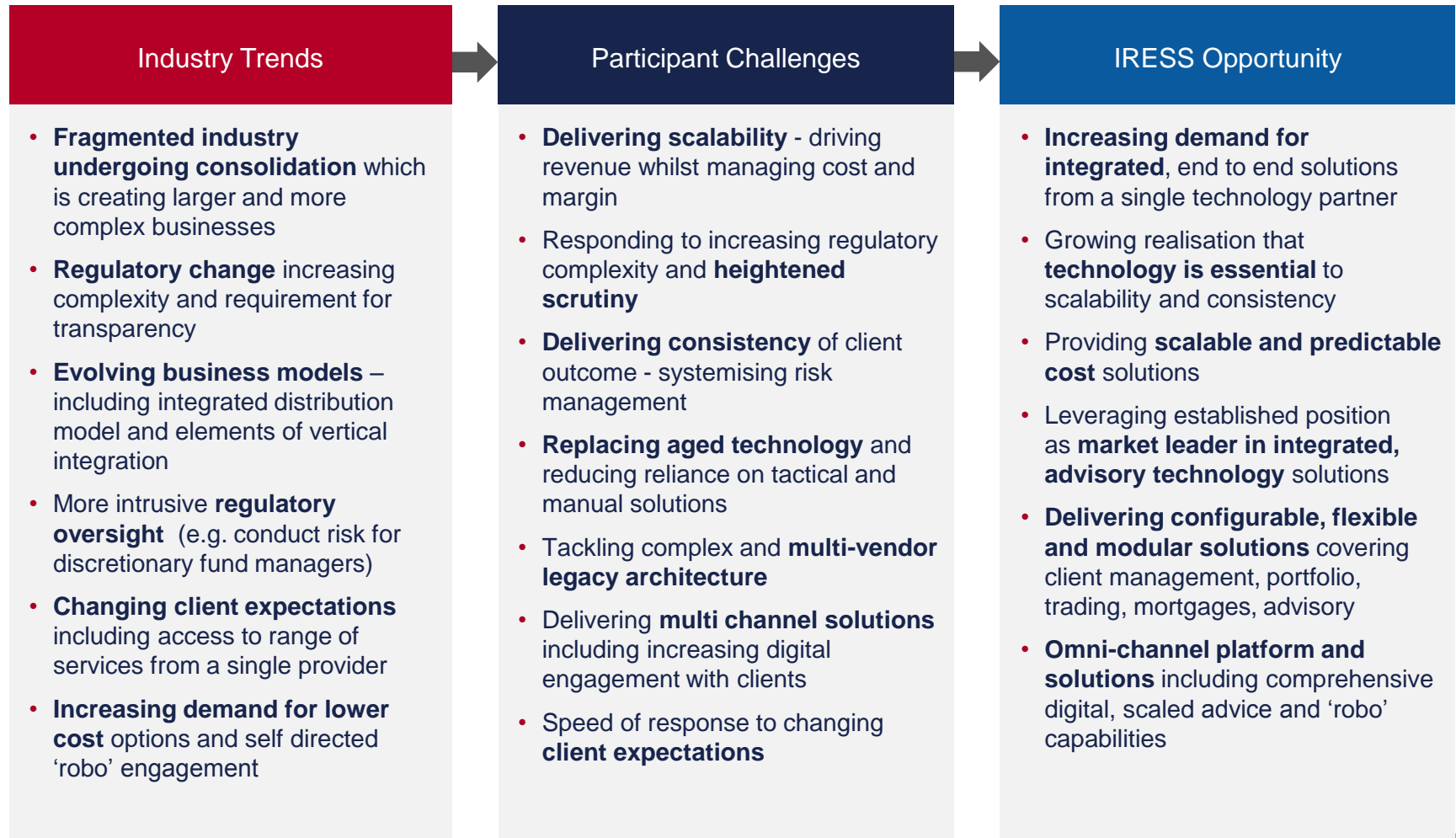
Segment priorities

Although characterised by different priorities and segment specific requirements, there is commonality across IRESS' business priorities that transcends segments.



UK Wealth Market Summary

65m people, 9000+ financial advisory businesses and over 200 private wealth managers.



Segment Overview

UK Lending

Simon Badley Managing Director UK

Contents

The UK mortgage market



The distribution landscape



Lending & MSO strategy



Benefits and essentials of technology



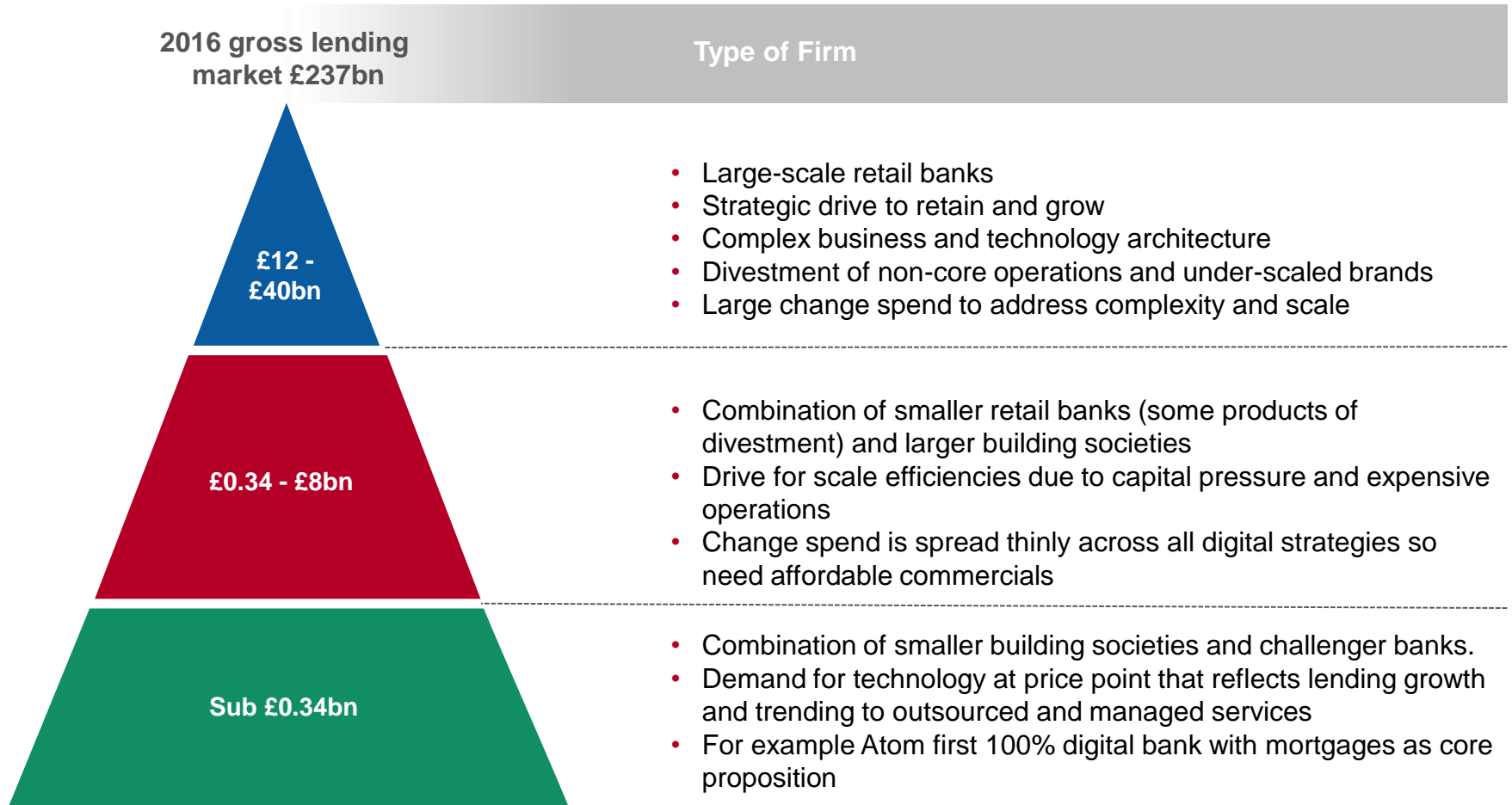
Example MSO broker journey



The UK lending market

The UK market snapshot

Retail banks see winning in this market as a strategic imperative.



Market disturbance



- Digitalisation
- Client focus and retention
- New lenders and challenger banks
- “Digital” mortgage broker models
- Dominance of broker distribution = 70%
- BREXIT impact - interest rate / house prices
- Pension freedoms driving growth in Equity Release and older age mortgages

Regulation change

- Mortgage Market Review (MMR)
- EU Mortgage Credit Directive
- FCA innovation hub - products and technology
- FCA - proposed review of competition in mortgage market
- Proposed Basel reforms, capital requirements



Client expectations



- Days to offer
- Digital
- Channel preferences
- Advice vs execution only
- Mobile and omni-channel experience

Technology driven

- Multiple legacy systems
- Tech disruptors
- Innovation - digital brokers, TV advisers
- Under investment due to regulatory burdens
- Costs of branch networks and advisors
- Banking APIs & data ownership



IMPACT TO LENDERS/DISTRIBUTION

- Continued growth in mortgage demand
- Increasing costs through sub-optimal legacy architecture
- Tactical v strategic change and solvency requirements
- Operational efficiency to improve cost/income ratios
- Lack of internal technology capacity
- Compliance around suitability and affordability



RESPONSE BY LENDERS

- Focus on retail bank divisions to deliver stand-alone efficiency and profitability
- Mortgage is strong margin performer across portfolio
- Client centricity and segmentation
- Distribution/channel interaction
- Technology as enabler to cost burden
- Looking for best product with flexible architecture
- Product flexibility to support range of complex programs

Growth in new entrants



New banks and lenders such as Atom Bank, Mondo, Starling and Tandem are eager for the highly profitable UK market.

19 new banks authorised in the last 5 years and government wants to licence another 15 new banks by 2020.

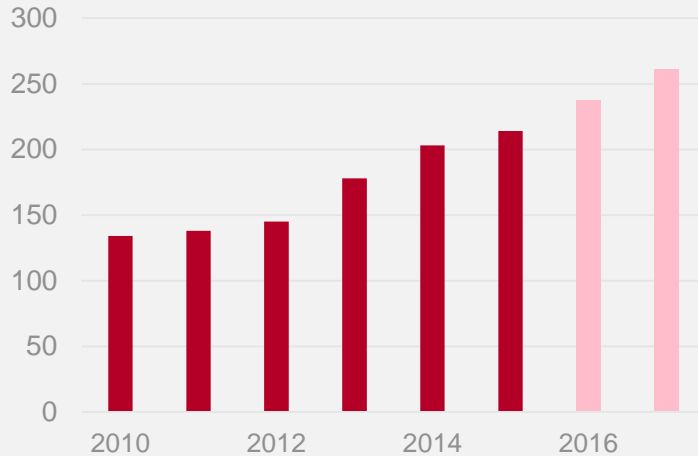
Existing lenders investing in the latest digital, mobile and workflow driven systems and technologies to retain market share.



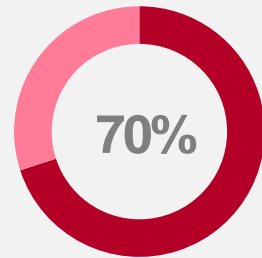
Lending distribution

Role of mortgage intermediaries

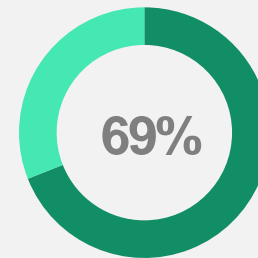
Total Gross Mortgage Lending in £bn



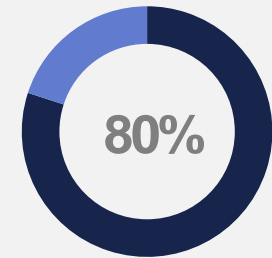
Key mortgage market figures for 2015



Mortgages sold via intermediaries



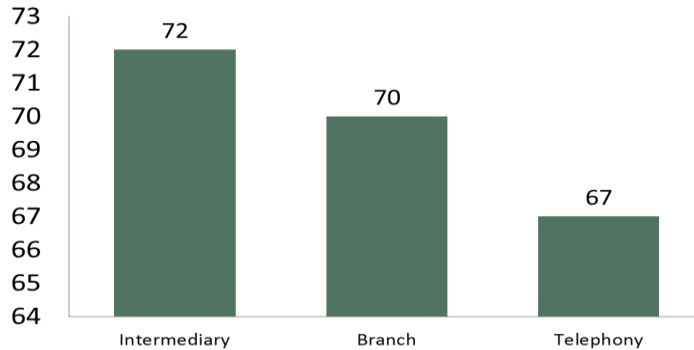
Increase in broker numbers



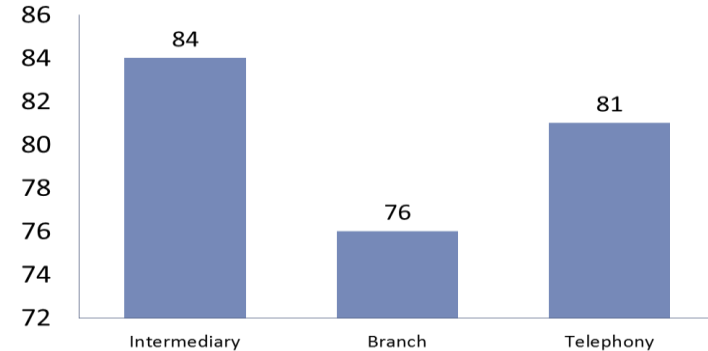
Increase in lending volumes

Between 60 and 70 more completions per 1,000 sales via Intermediaries

Percentage cases going to offer



Percentage offers completing



Technology drivers

IRESS Mortgage Survey

Lack of investment in legacy, heavily manual systems

Since MMR (2013) regional referrals to regional building societies have increased to 30-40% of all cases

Average days to offer (key lender benchmark for 14 days) has dropped from 53% to 46% - but lender best in survey achieved 80%

77% of intermediaries in the survey requested system improvements and changes including

Intelligent, intuitive systems that ask for data once, and are easy to navigate

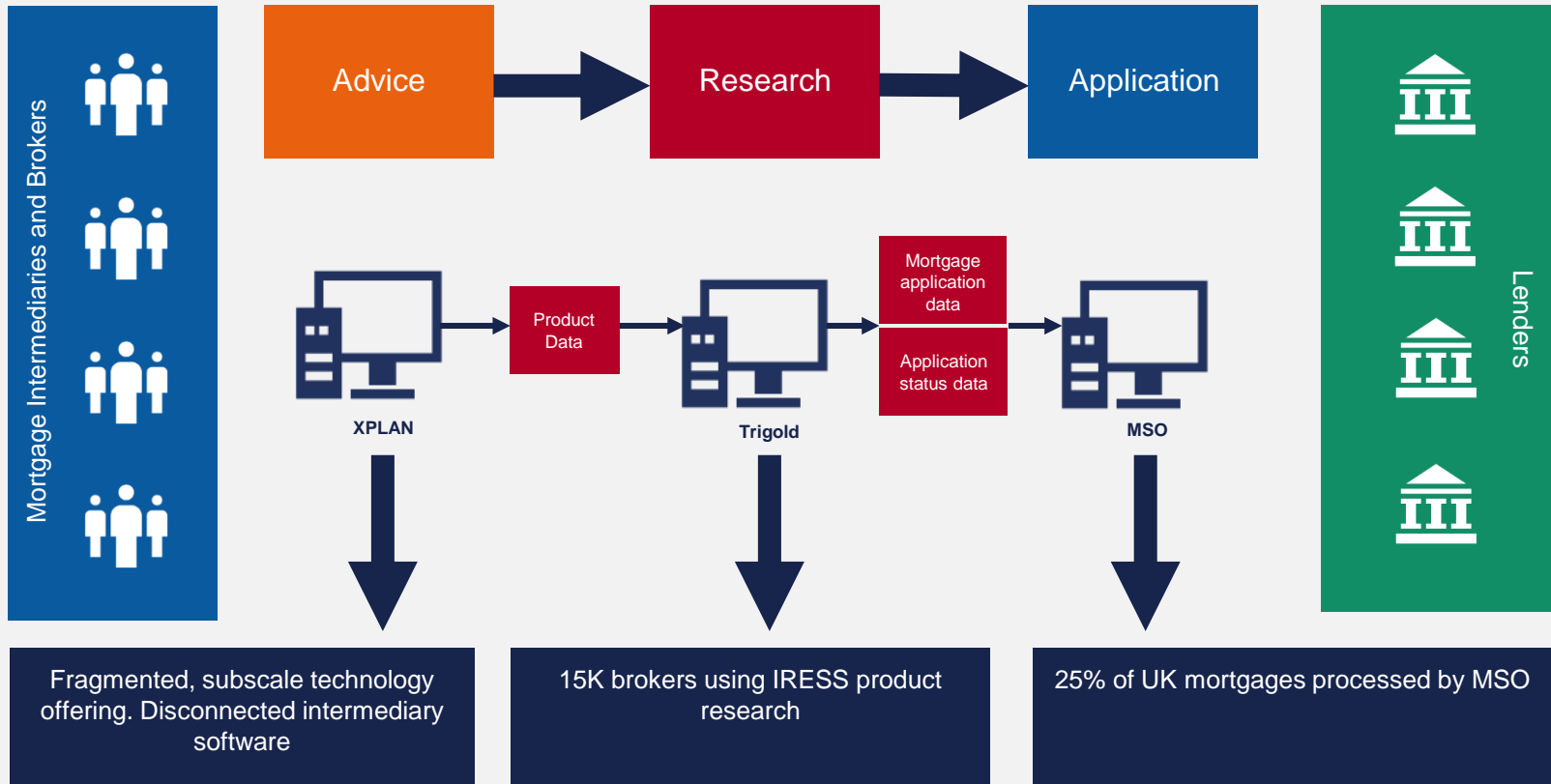
Regular, accurate and real-time case tracking, both online and via email alerts

A single integrated sales system for all aspects of the sales and application process

Our strategic positioning

Lending value chain

Connecting the UK mortgage industry



“Network effect” to drive strategic value for IRESS

MSO and benefits

IRESS lending business

Business objective is to transition Lending business to a product-led, UK market-dominant, scalable business with predictable revenues and strong growth.

Strategic objective is to connect the UK Mortgage industry from advice through research to origination to establish connected workflow across participant types for market efficiency.

Strategic milestones

- Product: Leverage MSO technology to productised Version 2 to support business transition
- Prove product relevance: Secure V2 sale on commercial basis and successfully deploy
- Leverage product cost base: Multiple T2/3 sales on product/licensed basis to prove scale beyond T1 lenders
- Prove at T1: Secure V2 sale with T1 lender on commercial basis
- Scale: Expand percentage of advice-led & intermediated UK mortgage sales processed by MSO

Progress

- MSO product road-map delivered
- Atom go live in 2016 - proving efficient implementation brought by product
- Advanced progress with T2 lenders - proving relevance and scaling
- Continuing discussions with T1 lending opportunities - leveraging existing technology and offering reduced cost of ownership under V2
- Growth in strategic positioning with intermediaries

What is MSO?

Multi-channel Distribution



D2C



Branch



Call centre



Intermediary

Rich sales experience

Sales

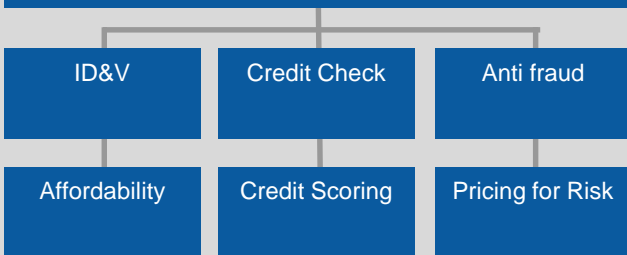
- Channel specific journeys
- Omni-channel, multi device
- Real-time case tracking
- Intuitive user experience
- Integrated cross-sales

Originations

- Task driven empowered staff
- Common processes and standards
- Automated MI & Pipeline management
- Workflow straight through processing
- Ability to turn the volume dial up and down

Integration services

Decision Engine



Address Validation

Card payments

Automated Valuation services

Bank Validation

Conveyancer services

Document Scanning Centre

Physical Valuation services

E-mail & SMS

Payment systems

MI & Data Warehouse

Client Systems / services

Core banking systems

Customer CRM/systems

MSO client benefits

Omni-channel solution with modern, responsive user interface

Straight through processing for intermediaries via Trigold and XPLAN Mortgage integration

Consistent application of policy and process regardless of channel

Great customer experience for end client, intermediary, lender officer

Reduced processing costs through extensive automation, data validation and removal of data re-keying

Reduced call volumes as clients / intermediaries kept informed throughout the application process

How does it work?

Sales and originations

Rich sales experience



D2C



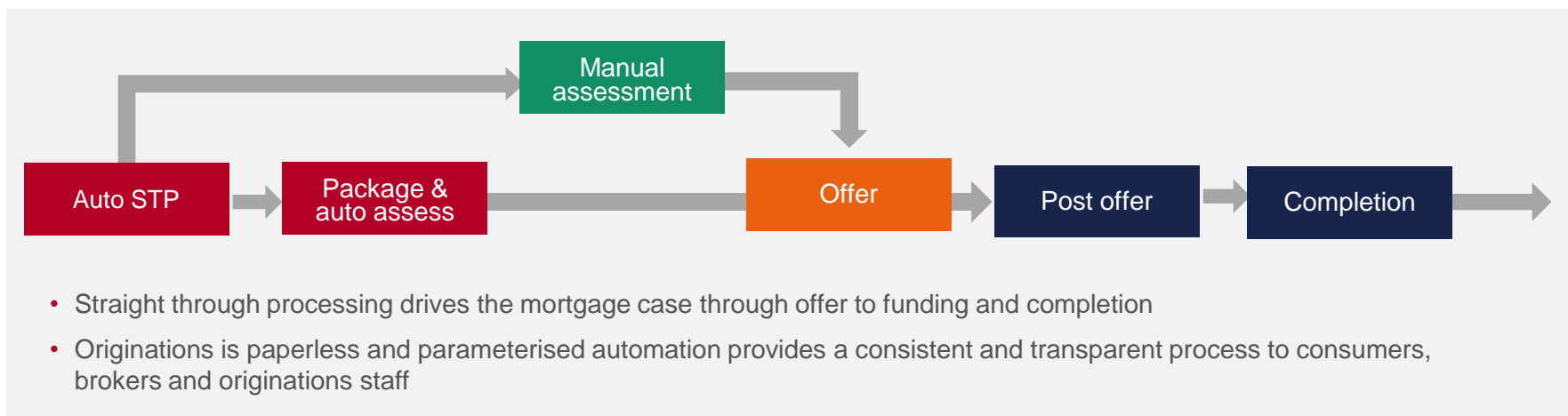
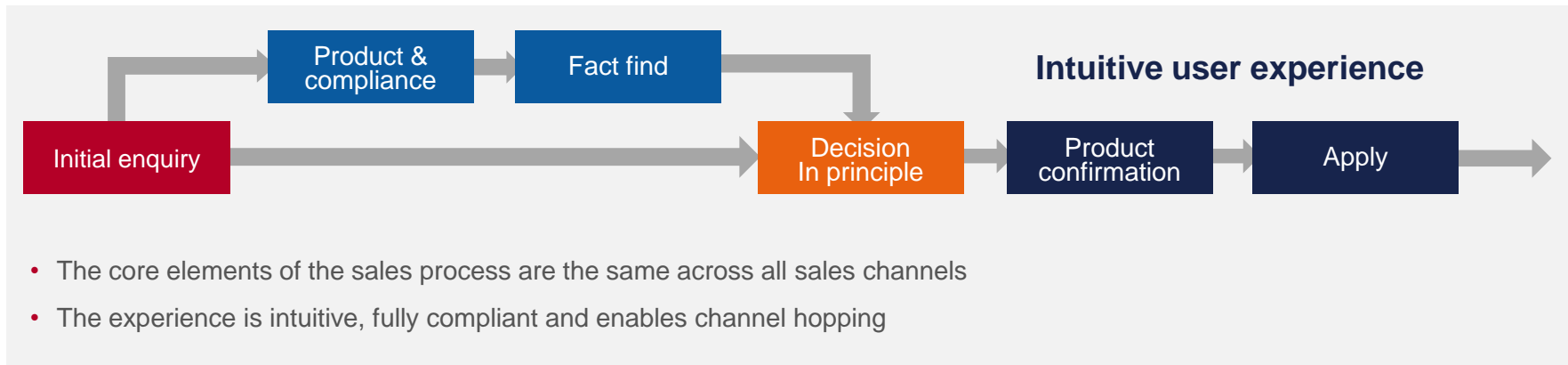
Branch



Call centre

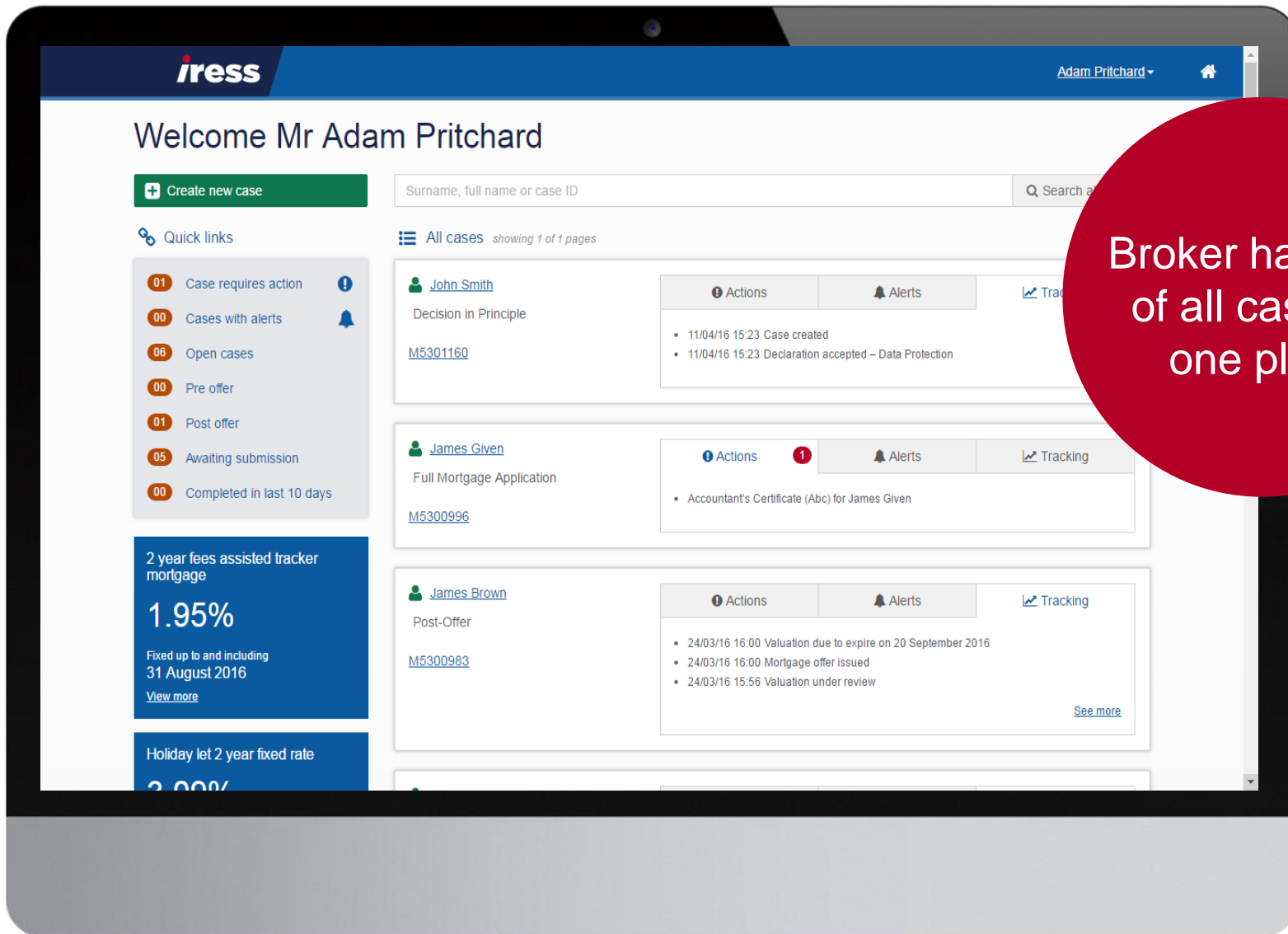


Intermediary



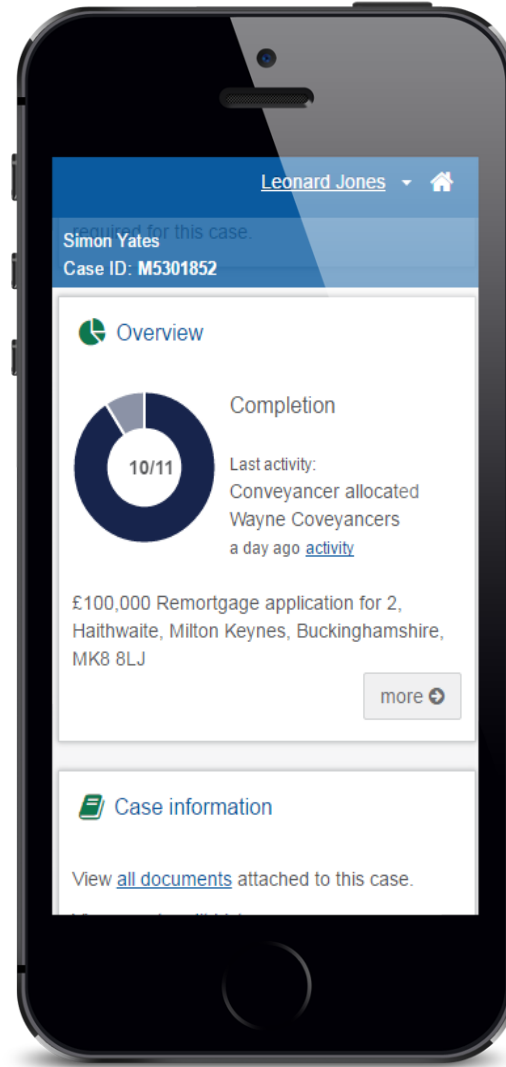
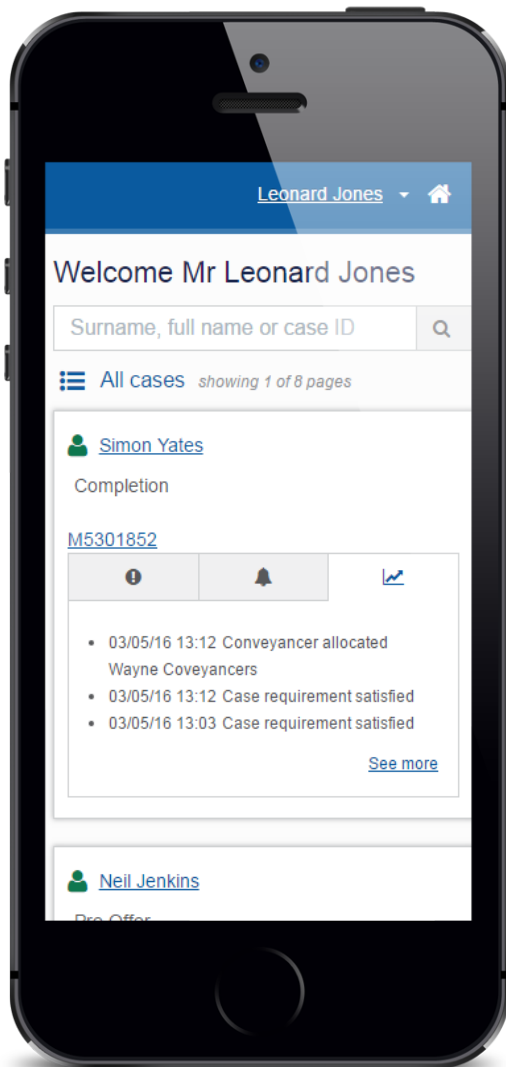
Example MSO intermediary journey

Intermediary sales journey



Broker has view of all cases in one place

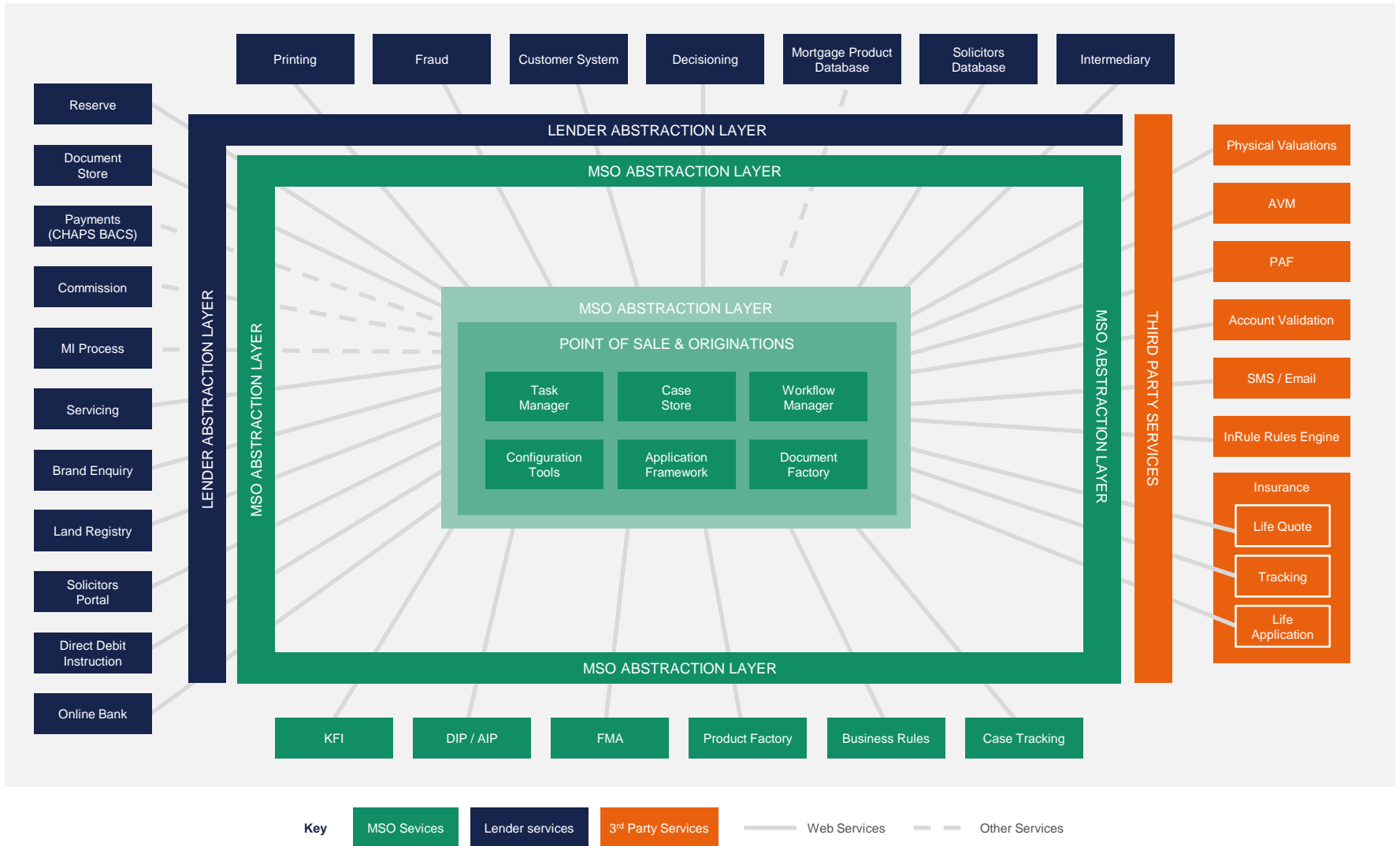
Intermediary home page



Broker is alerted of completion across all devices

How does it work?

Integrations central to efficiency



Q & A

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