



## Actuaries Summit

**get involved,  
get ahead**

20–21 May 2013  
Hilton Sydney



# Getting ahead of the Pack

Perspectives from actual situations

**Jim Minto**  
**Group CEO and MD, TAL**  
20 May 2013



# Who are you as a leader?

- We are all leaders in some way
- What is your approach or style?
- How do you respond to stress or high change?
- Can you consciously manage how you lead?
- How self-aware are you as a leader?



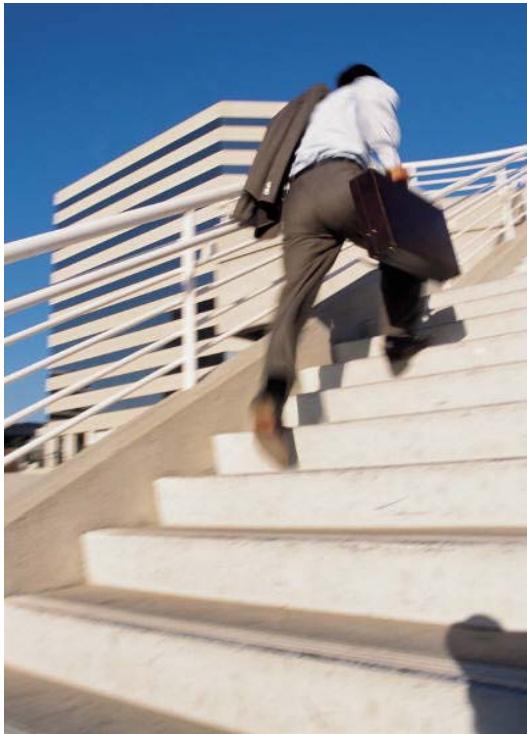
# What do you stand for personally?

- Make sure you have a really strong conscious awareness of your values and beliefs: this will determine if you can fit into some organisations and cultures
- Cultural fit is critical for each of us to lead effectively
- The world is moving more towards **how we lead** rather than what we deliver as leaders - the best lead well and deliver well
- The Financial Services industry is being driven by customer needs and demands rather than an industry that made products and sold them.

**Modern leadership understands, respects and moves with this energy.**



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**Leadership is about  
continually stepping up and  
growing**



# TOWER Limited share price

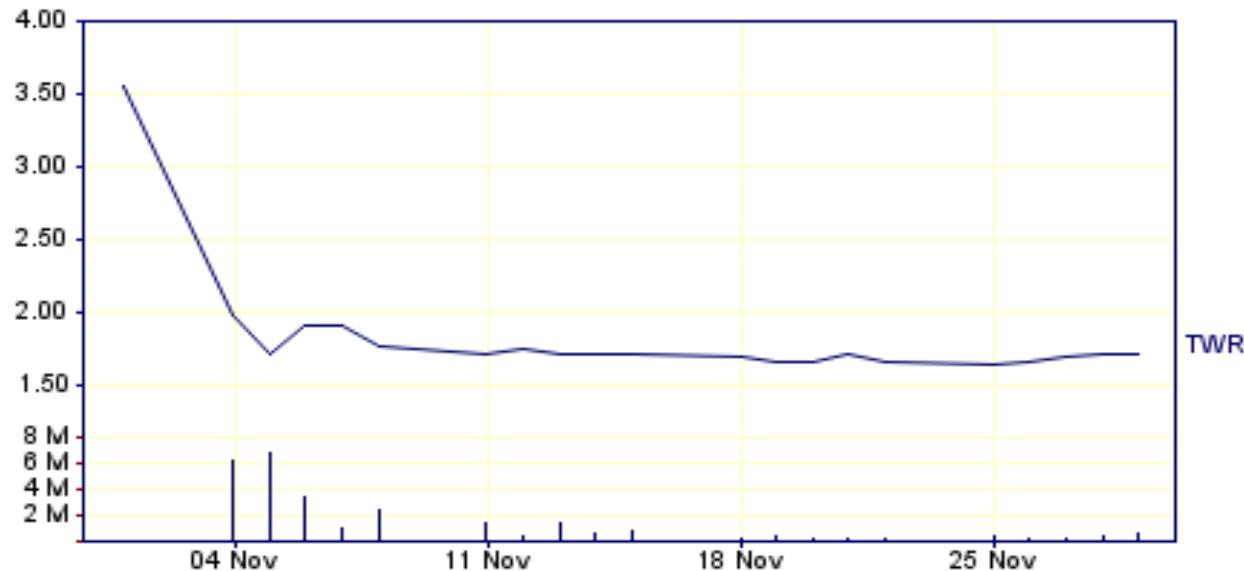
...sideways since demutualising in 1999





# TOWER Limited share price

Then this happened on 2nd November 2002





# To explain the TOWER Limited journey

- Established in 1869 and demutualised and listed in 1999
- Life insurer trying to be a wealth manager
- Sales and product company, losing focus and momentum
- Higher expenses, lapses and claims experience
- Year-end reporting saw losses realised and share price fell from \$A3.50 to \$1.75.



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## Drubbing for Tower on market warning

Nov 04, 2002 (The Courier-Mail - ABIX via COMTEX)

Shares in New Zealand financial services group Tower fell more than 43 per cent or \$A1.35 to \$A1.75 in Australia on 4 November 2002. The fall follows an announcement that the company might have to substantially write down its Australian business and faces a full-year loss of as much as NZ\$40m in earnings instead of a consensus market forecast of a NZ\$70m loss. Many analysts, who claim Tower indicated that it would conduct a roadshow. The announcement was enough to convince

## BUSINESS WITH THE WALL STREET JOURNAL

### Investors dump Tower on profit announcement, raising call

SARA RICE The Australian May 28, 2010 12:00AM

TOWER Australia Group's shares plunged yesterday after the company capital raising following a 5 per cent jump in first-half net profit. The stock closed at \$2.15, down 23c, or 9.66 per cent.

The insurer said it would launch a one-for-seven renounceable pro-rata capital raise, to strengthen its capital base and take advantage of growth opportunities, at least 5.25c per share after year-end.

In line with its usual practice, the company did not declare an interim dividend. Goldman Sachs JBWere analyst Ryan Fisher said in a research note that the capital raising was "running fairly tight on capital" relative to its growth objectives, he said.

"Even so, we were not expecting it to raise capital just yet, especially given the market and its own share price in recent times," said.

...g business, weak sharemarkets on

## Loss forecast slashes Tower's market

November 5 2002  
By Anthony Hughes  
Sydney

Mid-sized life insurance and funds management group Tower yesterday had almost wiped off its market value as investors offloaded the shares following the loss forecast on Friday.

On a resumption of trading after a two-day halt at the end of last week, Tower shares

Merrill Lynch had been expecting annual net profit, to be reported on December 5, to fall to \$A1.75. On Friday it would record a loss of at least NZ\$30 million (\$A26.3 million) and no dividend.

Upbeat roadshows that Tower conducted for brokers and investors in the past two months

The loss may be far worse, because Tower is planning to revalue downwards its Australian business, Bridges, bought for \$168 million in 2000. Also, Tower said it could not yet determine the investment returns.

The share-price plunge leaves Tower, one of the biggest fund managers in New Zealand, deriving most of its business from Australia, with a market value of just \$307 million.

## Irate punters tear \$240m off Tower

By Anthony Hughes  
November 5 2002

Mid-sized life insurance and funds management group Tower yesterday saw almost \$240 million - or 43 per cent - wiped off its market value yesterday as investors offloaded the shares en masse in the wake of Friday's loss forecast. "Fawltly" Tower and "To the Tower!" were just a sample of the market's reaction to Friday's announcement, while Merrill Lynch analysts simply told clients to "avoid" investing in it.

Resuming trading after a two-day stop on trading at the end of last week, Tower shares plunged \$1.35 to \$1.75, 2c off the day's low.

Merrill Lynch had been expecting annual net profit to be reported on December 5 of about \$83 million but Tower said on Friday that it would record a loss of at least NZ\$30 million (\$26.3 million) and no dividend was contemplated. This was despite the upbeat roadshows Tower had conducted for brokers and investors in the past two months.

The loss could yet be far worse because Tower is planning to revalue downwards its Australian financial

## Downgrade brings rout for Tower.

Nov 04, 2002 (Herald Sun - ABIX via COMTEX)

Tower's share price dived 44 per cent on 4 November 2002 in Australia, closing down \$A1.35 at \$A1.73. The sell-off followed a warning by the New Zealand-based financial services group that its net result would be NZ\$30 million to NZ\$40 million in the red. Acting chief executive officer Keith Taylor said the market had over-reacted to the announcement. He said the company's finances were sound and Tower remained acquisitive. Investors have wiped about \$A430 million, or 60 per cent, from Tower's market value in 2002.



# Making quick decisions

## Minto whips TOWER into shape

Published: 4:57PM Tuesday December 10, 2002

TOWER is slashing costs in Australia. It says it will reduce recurring management costs from \$A102 million as at September 2002 to \$A85 million in the current year. That means the loss of a further 70 jobs on top of the 50 already cut in October.

Acting Chief Executive for Australia Jim Minto says the company is working on three key issues - focusing its business, reducing costs and growing sales.

"Today we have announced a new tighter focus and cost reductions to follow the sales steps already taken," Minto says.



# The journey back was challenging

- Raising capital and cutting \$34m of costs from \$102m cost base
- Earning confidence of staff, business partners, shareholders, bankers, regulators
- Fixing compliance issues
- Rebuilding growth

## Two steps forward and one back!

Total investments of \$400m made from 2003 had realised \$1350 by late 2006 when TOWER demerged Australia.

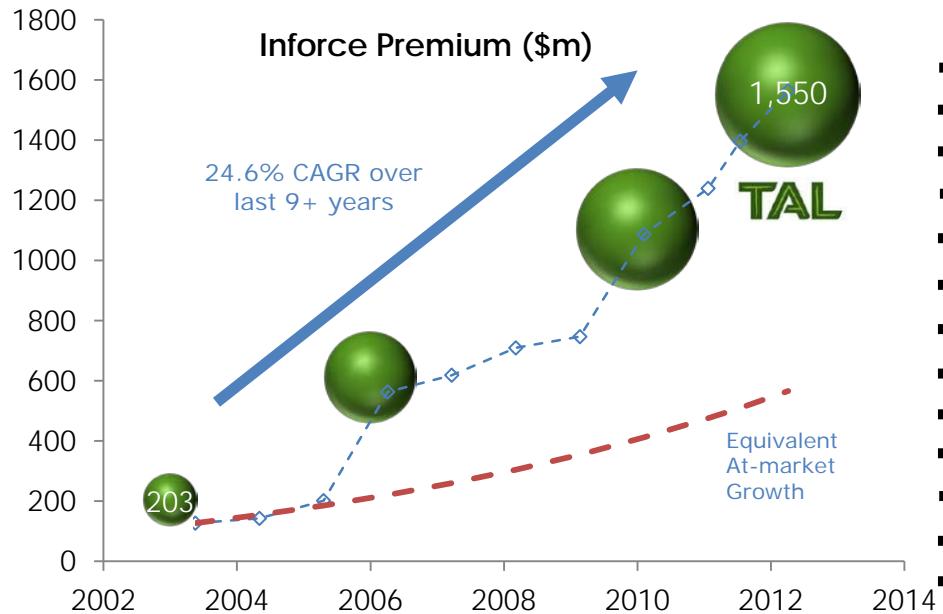


## Messages from this...

- You can recover from most adverse situations, **if you lead well.**
- We were small but determined and performed well above what many expected of us.
- Simple messages about our direction - and **constant reinforcement** of these - kept us on track
- We had many leaders. **People like you!**
- Lots of smaller contributions - and well executed - can make one larger shared and very successful outcome.



# Consistent, solid growth



## Key milestones

- 2012 Launch of Affinia
- 2012 NRMA alliance
- 2011 Dai-ichi Life acquires TOWER. TOWER becomes TAL
- 2010 First State Super Mandate
- 2010 Virgin Money alliance
- 2010 \$1b inforce premium
- 2009 AustralianSuper mandate
- 2008 Acquisition of InsuranceLine
- 2008 NIB alliance
- 2008 Dai-ichi Life cornerstone shareholding
- 2007 First automated online & phone based underwriting
- 2006 Separation from TOWER New Zealand
- 2006 Acquisition of PrefSure Life
- 2003 \$200m inforce premium

**"the life insurance specialists"**



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# Dai-ichi Life moves to 100%

## TOWER Australia Shares Climb After Dai-Ichi's \$1.2 Billion Takeover Offer

By Malcolm Scott - Dec 29, 2010 4:16 PM GMT+1100

TOWER Australia Group Ltd. shares jumped the most on record after Dai-ichi Life Insurance Co. agreed to take over the insurer.

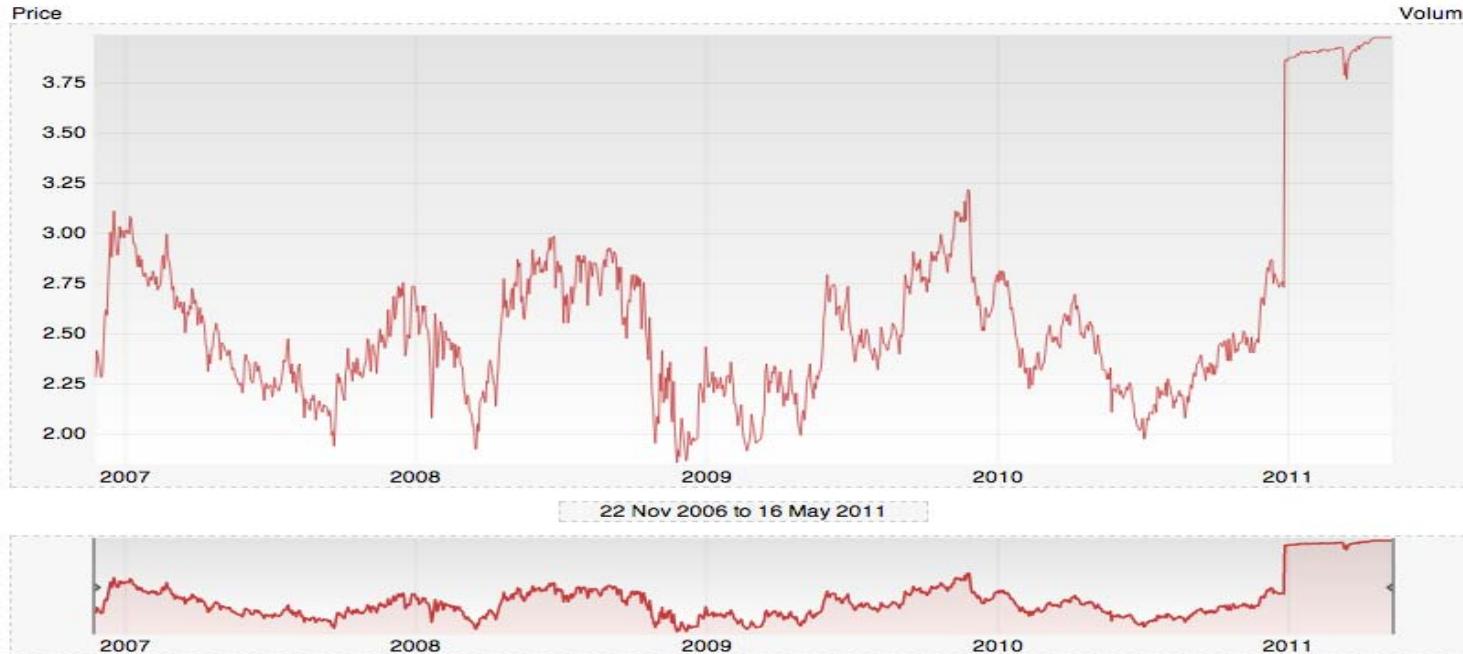
Tower shares jumped 42 percent to A\$3.87 at the 4:10 p.m. close in Sydney trading, the biggest gain since the insurer was spun out of its former New Zealand parent Tower Ltd. in November 2006. Dai-ichi Life, Japan's second-biggest life insurer which already owned 29 percent of Tower Australia, said yesterday it will pay A\$1.2 billion (\$1.2 billion) to buy the remainder in its biggest overseas acquisition.



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# TAL share price since listing





# Dealing with failure

- We can always choose how we respond to adversity
- Opportunities come from adversity when high focus and effort can produce great results
- Some of my most rewarding experiences have come from these times

**Choose your response!**



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# Thinking at the right level..



**...don't dive for the detail needlessly!**



# Thinking clearly under pressure

- Try to avoid emotion. It won't help you think.
- Try to suspend judgement - don't rush to conclusions.
- Listen for gems. Ask others what they think.
- Play back your thoughts to others you respect.
- Keep thinking and refine your ideas.
- Always be open to change your conclusions.

Try to get to the heart of the issue





# Get to the heart of the challenge

- What are the most important points?
- Can you sum up the whole issue on a page?
- Do I understand the most important issues?
- Do I really need any more detail?



# Teamwork

- Great teams are made up of very **different people**.
- **Diversity** adds real benefits.
- **Cultural Diversity** adds value: TAL and Dai-ichi Life is a very successful case study.
- People different to you provide **alternate perspectives** which can help you more sometimes
- **Recognise** and **value** different thinking styles