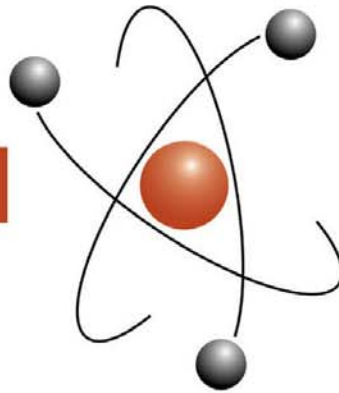


S U S T A I N



A B I L I T Y

ACTUARIES AND THE FUTURE

INITIAL FINDINGS on THE POSITIONING OF ACTUARIES in BANKING, FINANCE AND INVESTMENTS

**Banking Finance and Investments Task Force
represented by Greg Vaughan & Alex Stitt**

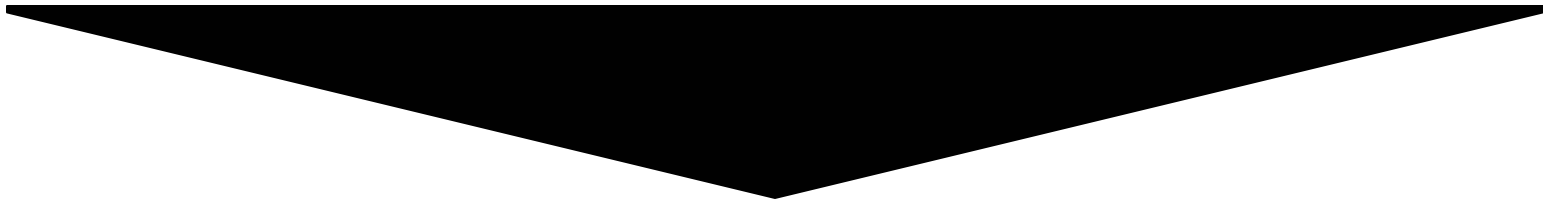


Institute of Actuaries of Australia



Background to BFI Taskforce

- “Actuary” ill defined and under valued in BFI space
- But scope for actuaries to have impact in this space



How to???



The World as we see it - sectors

Wealth Management

- Extension happens naturally
- Upgrade retail research & advice

Banking

- Stable, but not growing, employer of actuaries
- Demand for modelling and risk management skills

Finance

- Greatest growth opportunity - demand for risk management
- A good handful of areas of "fit" - 8 listed in draft paper
- Environment trending to need for more skill

Investments (not WM / retail)

- Little future opportunity, DB funds and asset consulting dying
- Portfolio measurement and analytics - small number of employers



The World as we see it - themes

- **Focus on risk management - plays well to actuarial skill**
- **Harmonisation across sectors - widens the field but necessitates broad outlook**
- **BFI actuaries compete vs cooperate - no statutory role and wide peer group**
- **Development from technician to leader / business developer largely depends on the individual**



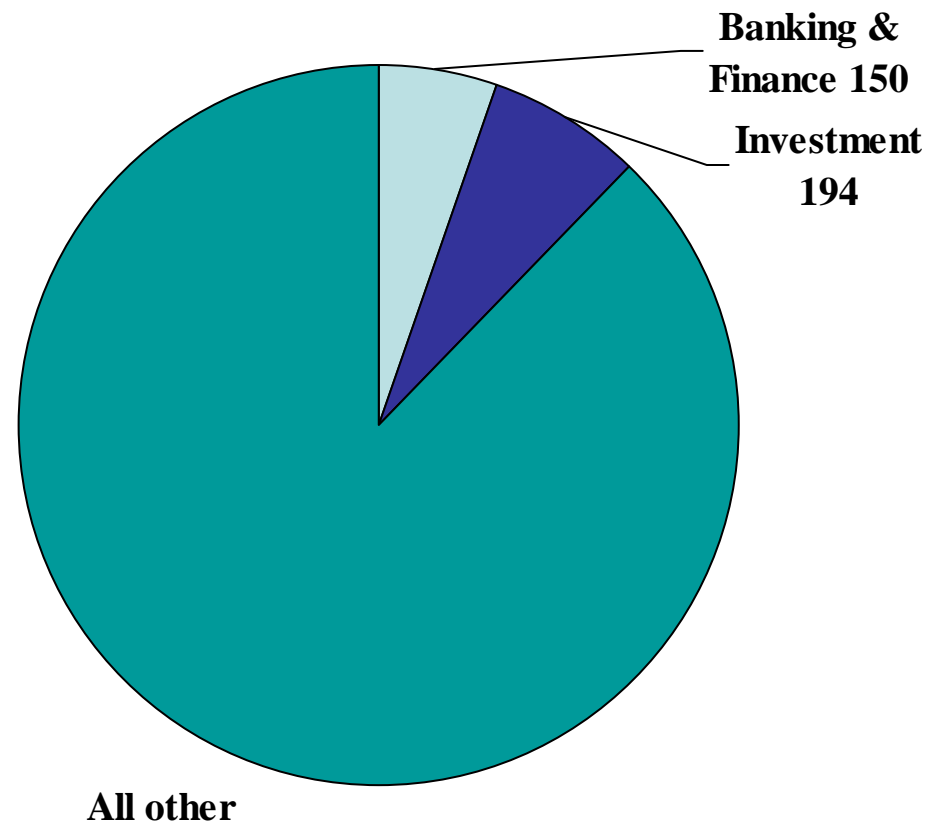
What does the profession bring to the table today?

- **Resonable platform**
 - Needs strengthening in risk management and judgement
 - Lack of peer recognition outside statutory specialisations
- **Series of practices vs a unified whole**
 - Poorly connected?
 - Little overview of financial services as a whole
 - Inhibits flexibility to evolve with market - tend to become self absorbed (due to workload)



And we have members out there ...

- **About 1 in 8 members list banking finance and investment as their primary practice area**



... but many do not “identify”

What do we want of you today?

We have set out

- Longer term vision
- Overarching recommendations
- Specific recommendations

HAVE WE GOT IT RIGHT?

- Especially the vision and high level recommendations

Recommendations

- **Focus resource on a narrow range of technical specialties**
- **BFI “Practice” to focus on “lost sheep” / CPD**
- **Develop Part II to provide widely applicable conceptual framework, and test judgement**
- **Recognise AIAs (Part II) as real actuaries**
- **Strive for a leading position in risk management for financial services**
- **Reorient profession to whole financial services industry**



Why Not?

We considered but have not specifically put forward some more radical options

- **Extended (4 year) degree with core elements of marketing and organisational behaviour**
- **More on professionalism (not ethics) eg listening to clients, balancing competing interests, managing conflicts of interest, solution orientation, confidentiality**
- **Qualification includes viva voce or prepared presentation elements**
- **Explicit training in communication and writing skills**



What next?

- **Feedback here and written, then endorsement by Council (we hope)**
- **New Taskforce**
 - **write a BFI Strategy / action plan based on the vision**
 - **Research “lost sheep”**
 - **Rejuvenation of Practice Group, build CPD**
- **IAA**
 - **Marketing to BFI sector**
 - **Evolve and integrate the vision into IAA activity**



Who were the taskforce anyway?

- **Meredith Brooks - Chair**
- **Andrew Gale - ex officio**
- **Greg Vaughan**
- **Paul Carrett**
- **Sarosh Batliwalla**
- **Jarrold Martin**
- **Mozammel Ali**
- **Vincent Hua**
- **Alex Stitt**