

MyState Limited

Australasian Mutuals Institute
12 March 2011



MyState
LIMITED

The Merger in Summary

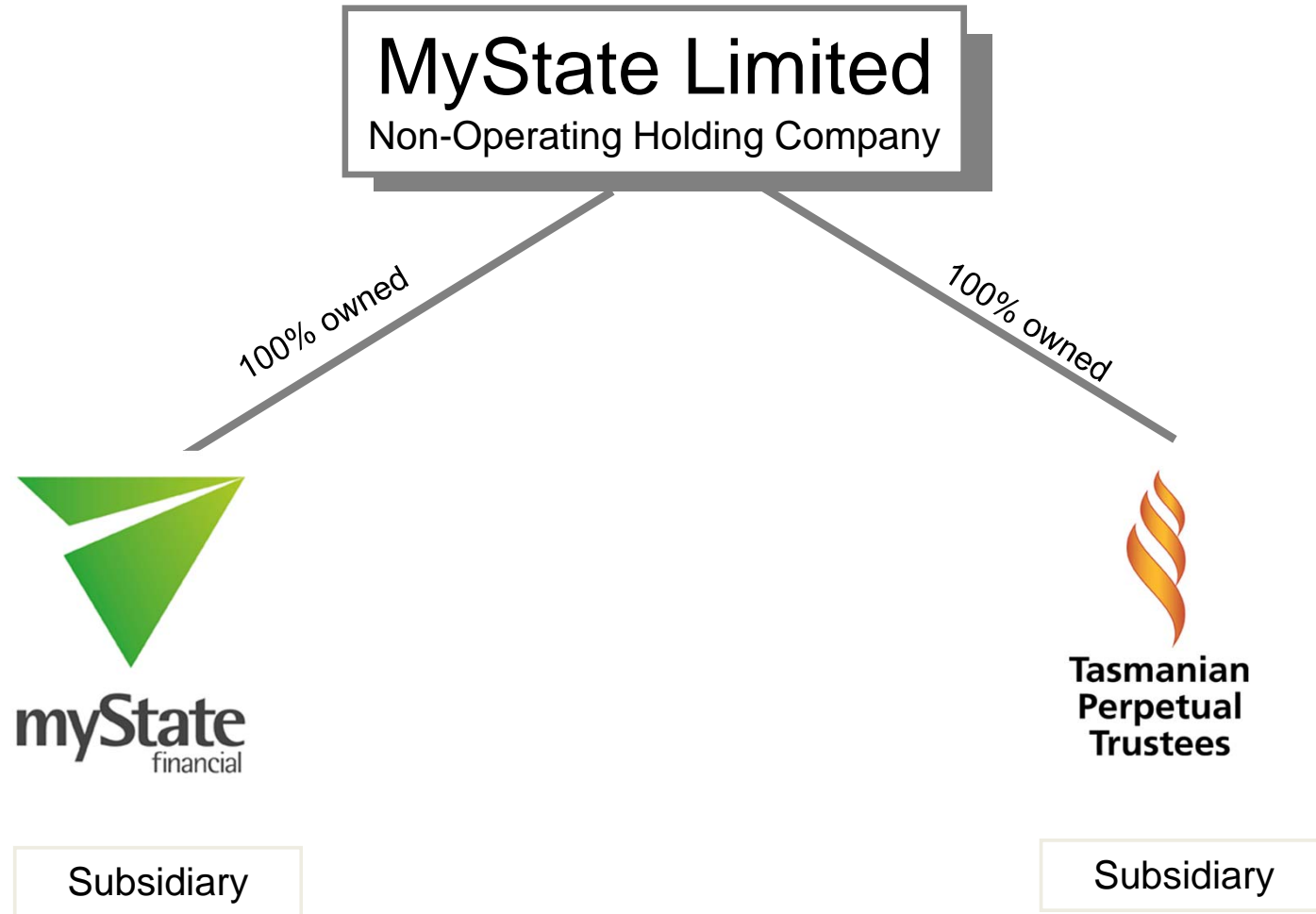
- Challenging negotiation
- Fair deal for all members
- Happy Customers
- Some People Management challenges
- Financial Success
- Happy shareholders



Merger discussions

- In October 2008, the Boards of MyState Financial Credit Union and Tasmanian Perpetual Trustees unanimously agreed to proposed to their members and shareholders respectively, to merge the two businesses into a single financial services Group.
- The combined financial services Group would be a Non operating holding company known as MyState Limited of which MyState Financial (MSF) and Tasmanian Perpetual Trustees (TPT) become 100% owned subsidiaries.

MyState Limited Group Structure



Merger Rationale

The creation of a fully integrated financial services group with increased scale which allows:

- delivery of a greater range of products and services to existing and new customers
- enhanced future growth opportunities in new markets both in Tasmania and in due course throughout Australia while still maintaining competitiveness
- delivery of shareholder value by combining the balance sheet strength of both companies to grow shareholder returns
- maintenance of a proud Tasmanian heritage

Demutualisation of MyState Financial

- Negotiation
- Independent Value
- Information Booklet
- Vote
- Legal
- 387 shares per member – no exceptions
- Share Sale Facility
- MyState Financial Foundation / Unverified Members



Merger Outcomes



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Merger Outcomes

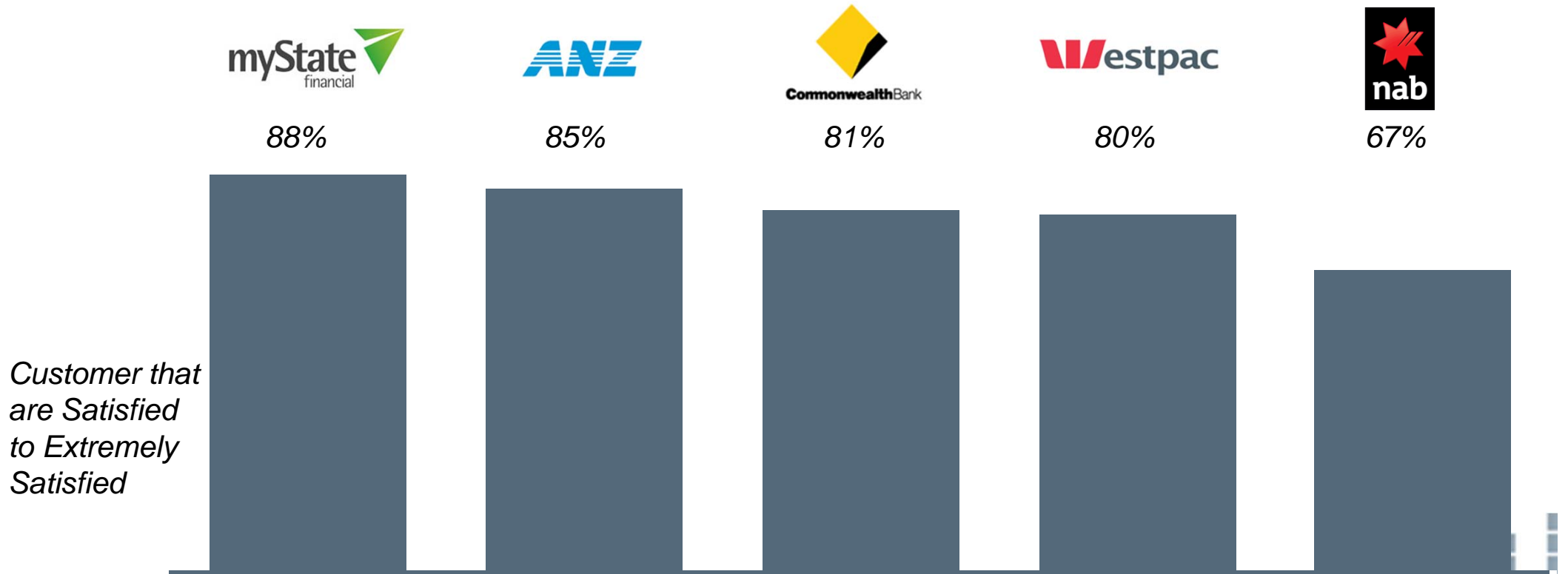
- Revenue synergies
 - Increased product and service offering delivering opportunities to create revenue growth
 - Cross referral process between MSF and TPT underway
- Cost synergies
 - Operating cost synergies realised in YEJ 10 and ongoing
 - A substantial number of redundancies have occurred, primarily with executive and senior management roles
- Brand
 - Continued brand presence for both Tasmanian Perpetual Trustees and MyState Financial

Results: One Year On

- For All Shareholders:
 - Earnings per share (EPS) accretive in Year 1 and strongly EPS accretive thereafter. - Achieved
 - Continued & further EPS uplift as a result of cost and revenue synergies in years 2 and 3. - On Track
 - Anticipated enhanced and fully franked dividend payments based on profits of the merged entities. - On Track



Our Customers are happy

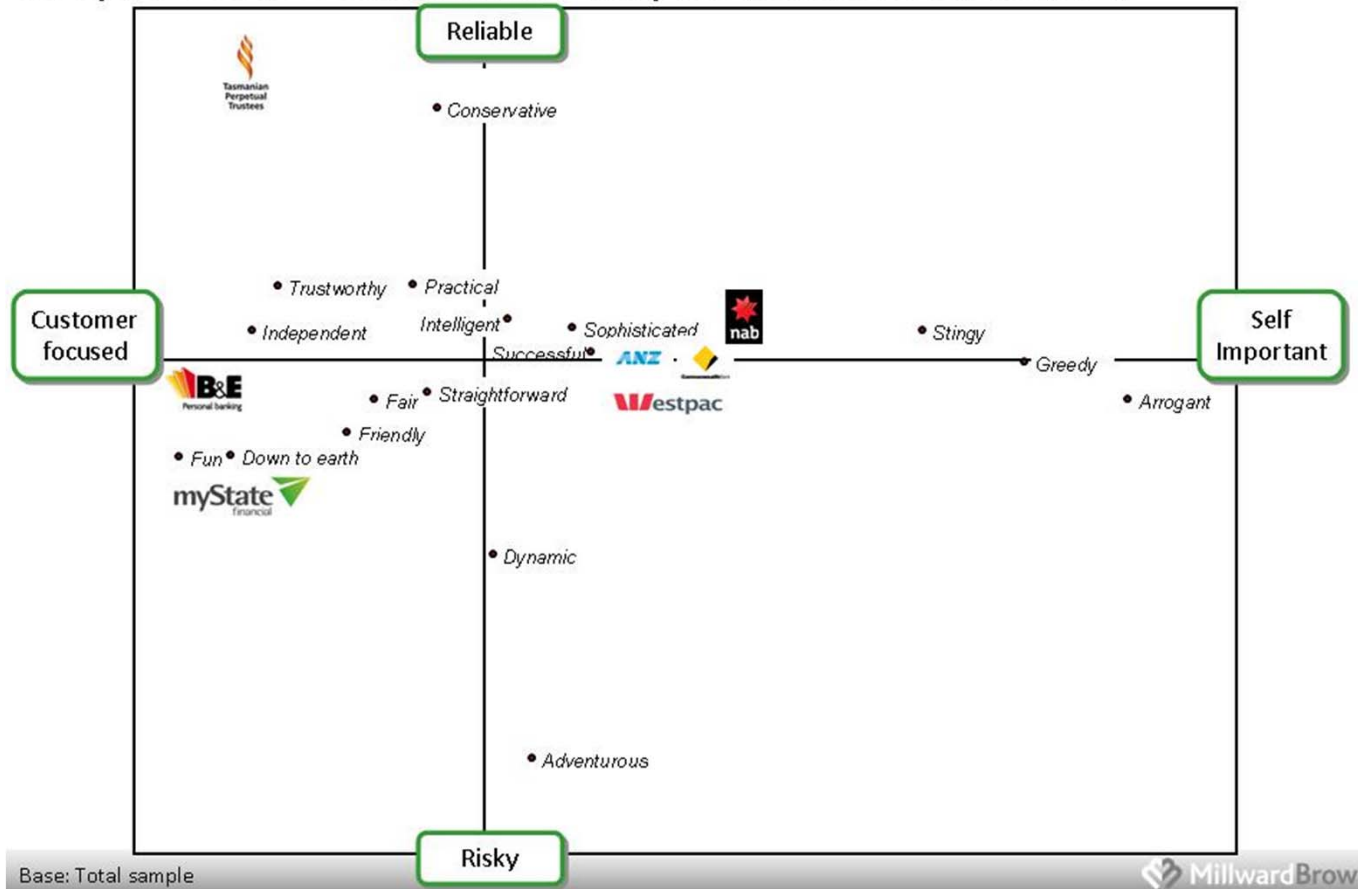


Results taken from a representative sample of 800 adults aged 18-70 who are users of financial services products. Sample is equal to gender, age and other national demographics.

MSF and TPT Brands



...which continues to differentiate MSF from the big 4 nationals. TPT occupies a much more conservative space (2010 results with B&E, TPT)



Millward Brown research shows that MSF has clear market differentiation compared to our main competitors – the brand is seen as more customer-focused than the brands of our main competitors

TPT is viewed as customer-focused too creating some positive common attributes.

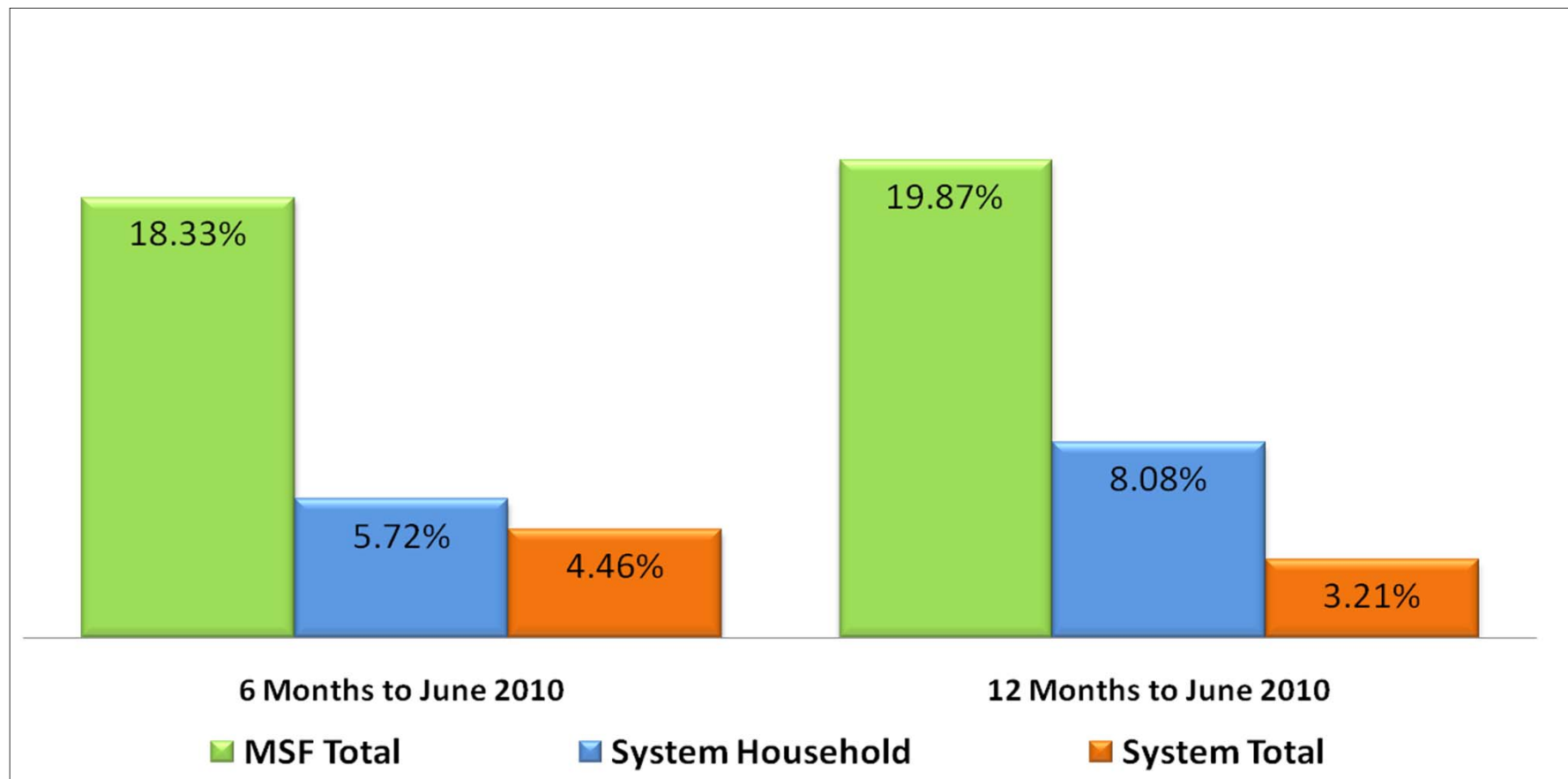


MSF Brand

Quantitative research shows that Tasmanians view MSF more favourability among the positive personality traits outlined below than any other Financial Institution:

- Trustworthy
- Fair
- Intelligent
- Practical
- Independent
- Adventurous
- Straightforward
- Friendly
- Successful
- Down to Earth
- Dynamic
- Fun

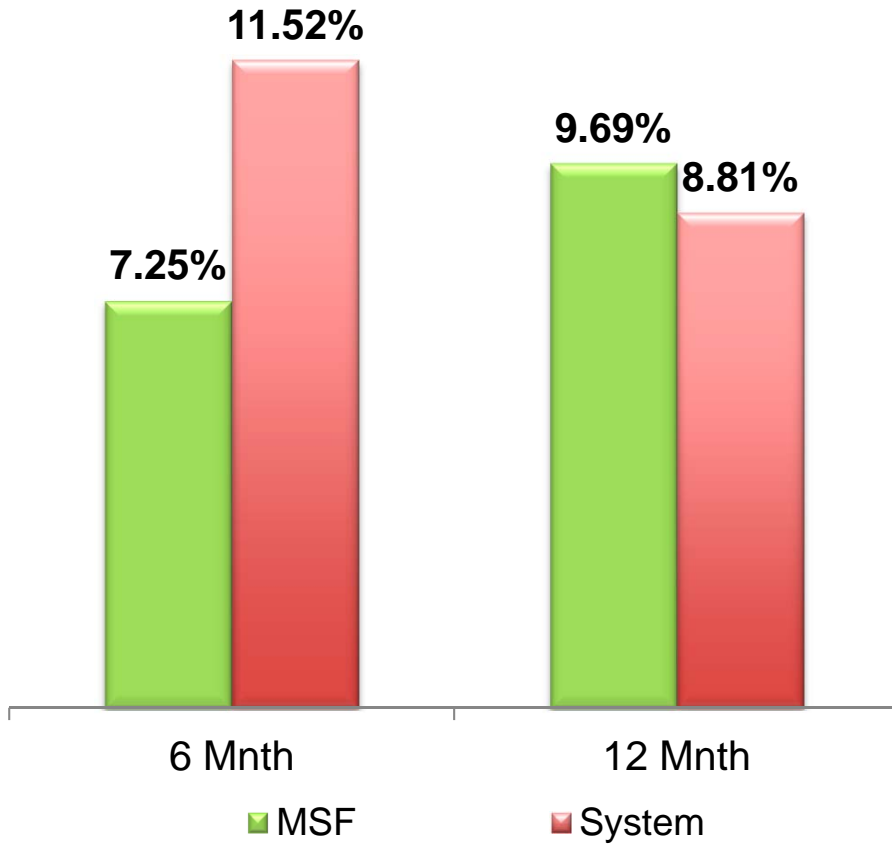
MSF Growth



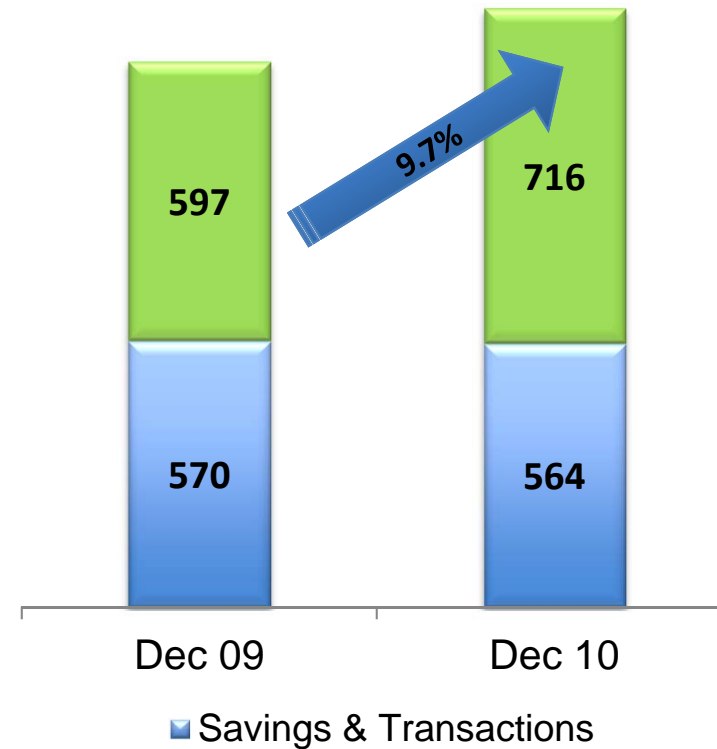
Source: APRA : Six & Twelve Monthly growth is to Jun-10 annualised

MSF Growth

Balance Growth



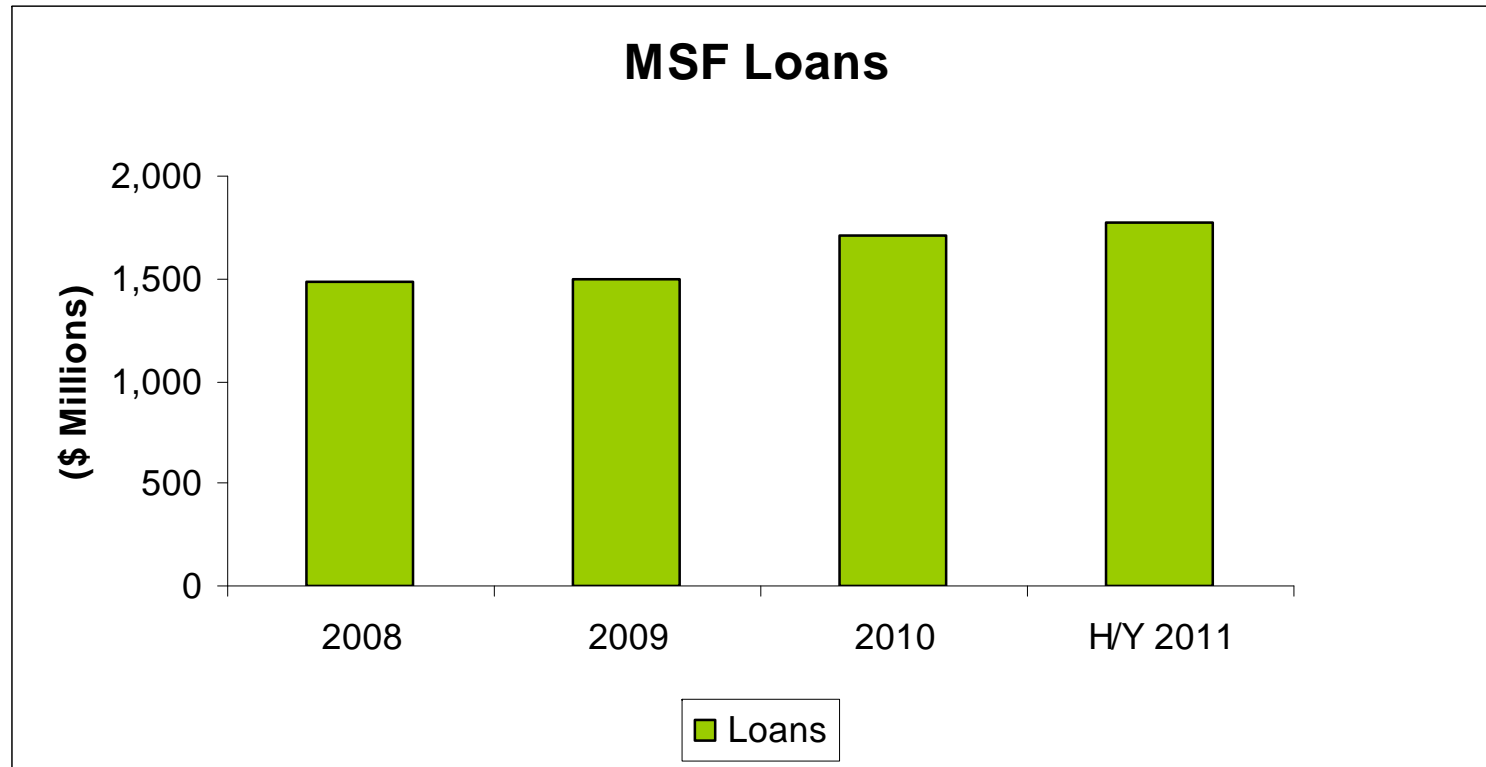
MSF (\$m)



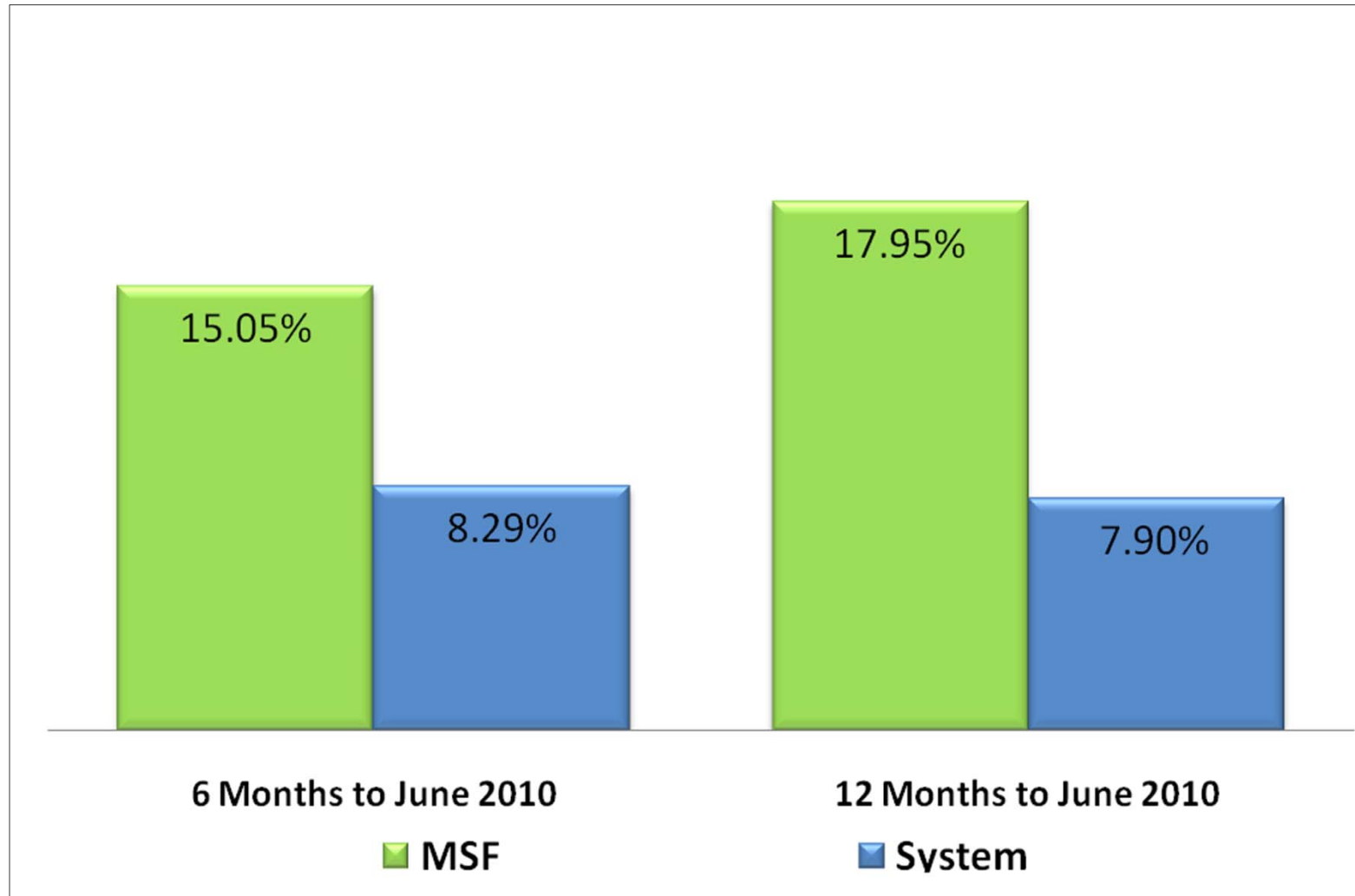
System data source: APRA - Licensed bank deposit data;
Six month growth is to Dec 10 annualized

MSF \$1.77 billion in Loans

■ 3.6%
Growth
in Loans



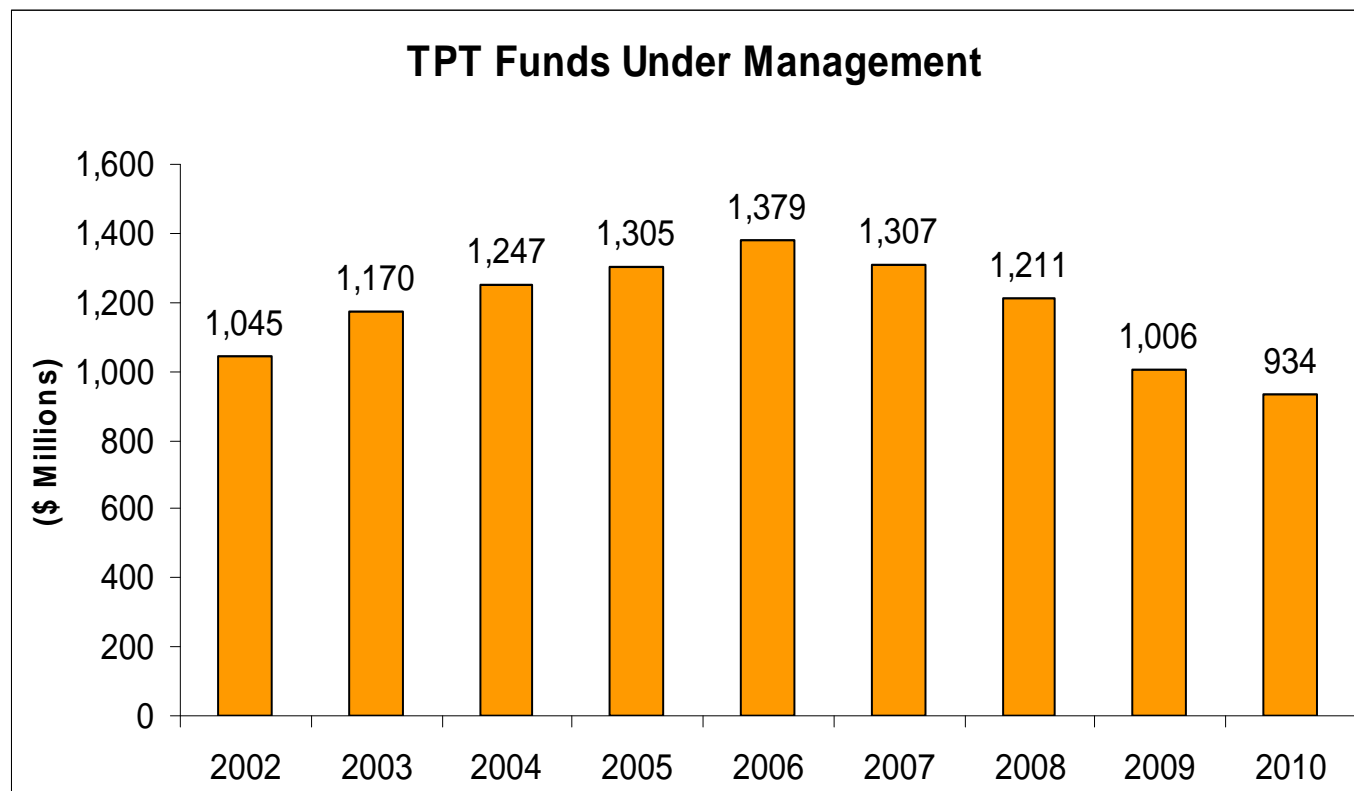
Home Lending – MSF Vs System



Source: RBA : Six & Twelve Monthly growth is to Jun-10 annualised

TPT \$0.93 billion FUM

Fund levels impacted by GFC, unfavourable interest rate environment, intense competition for retail funds and adverse movements in market linked funds.

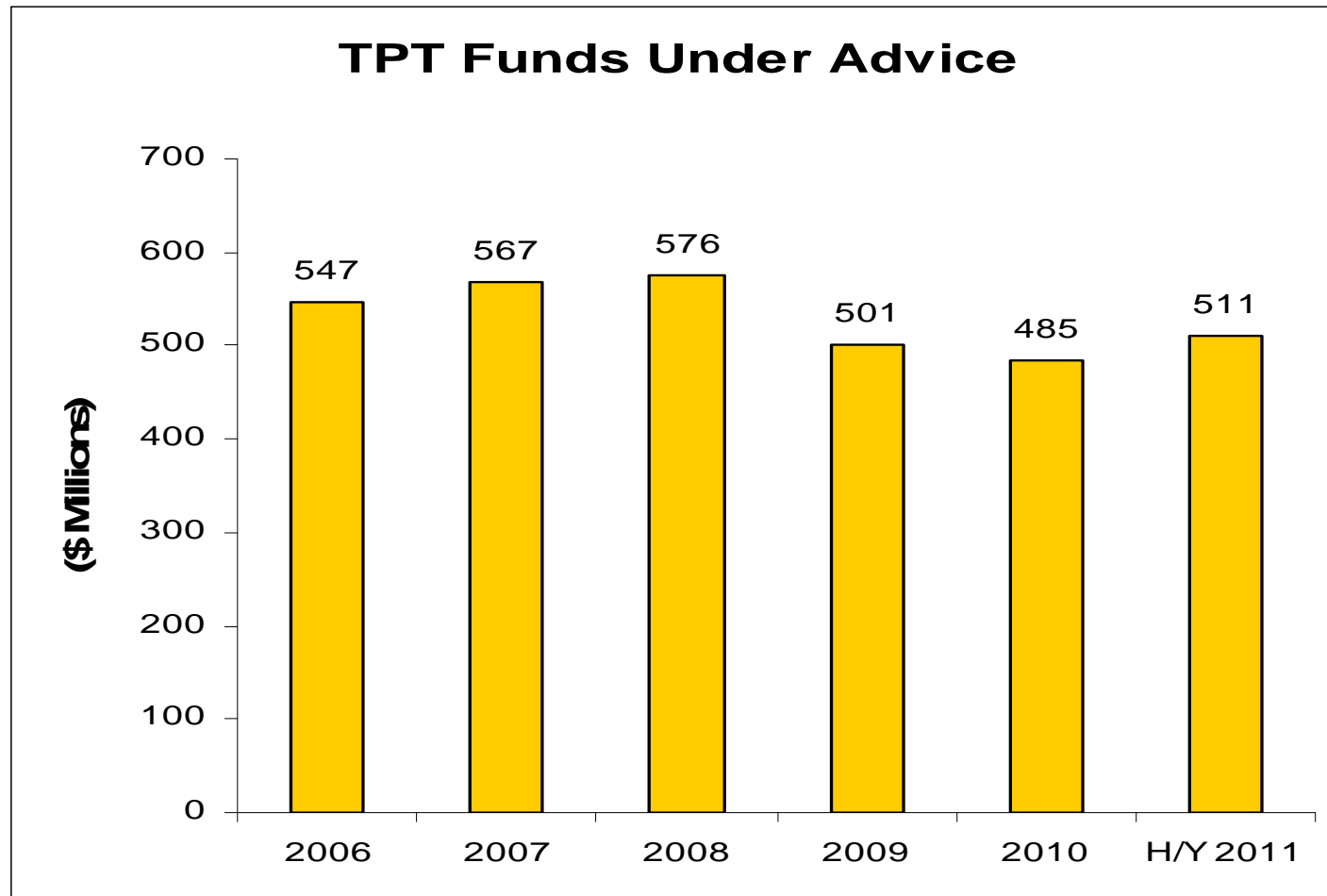


TPT \$0.51 billion Funds Under Advice

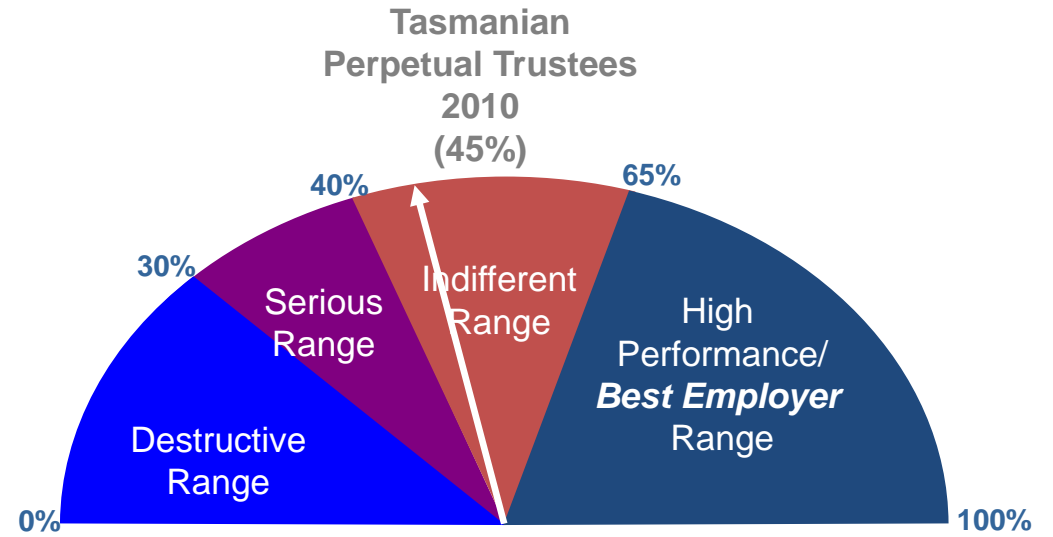
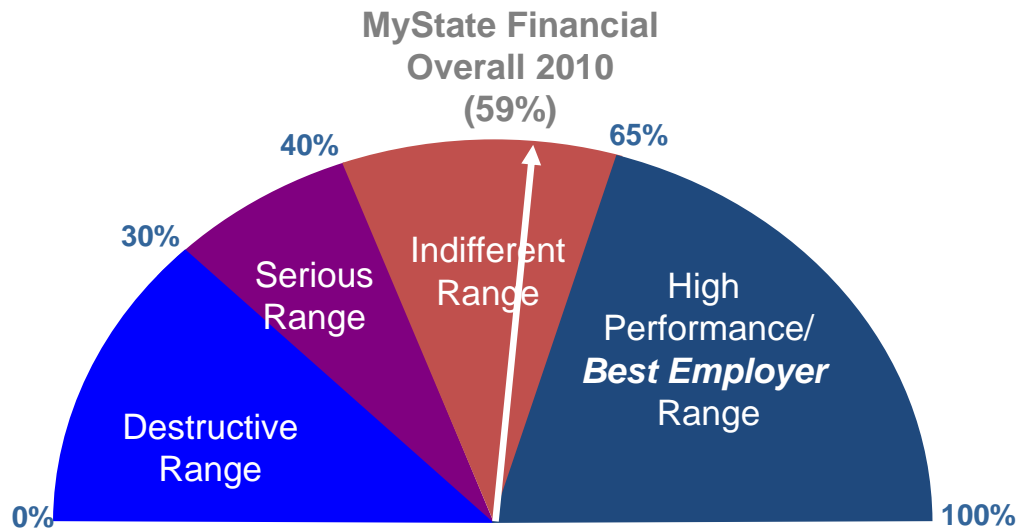
5% Increase in FUA

\$511 million FUA* through Financial Planning Services.

*FUA – funds under advice



Engagement Scores



MyState Limited Cultural Values

We value relationships

Our success is built on the quality of relationships we have with each other; supported by open and honest communication and respect for diversity of opinion and the contribution of each individual. We listen, to learn from each other and we act on the needs of our customers, employees and shareholders.

We embrace change and strive for growth

We embrace change collectively and individually and acknowledge that the continued growth of our Company keeps it competitive and viable. We support each other to cope with change and ensure our team is informed, skilled and flexible.

We do what we say

We hold ourselves accountable for our actions and meet our commitments to each other, customers and shareholders. We engage with every customer and we are determined to exceed their expectations.

We celebrate and success

Through excellence we strive to succeed. We take pride in achievement and collectively celebrate our successes. Through our actions, customers and staff will be our best advocates.

We are committed to a sustainable community

Our Company and our people participate in and contribute to the quality of life of the community around us. Our actions demonstrate our care for the community and the environment we live in.

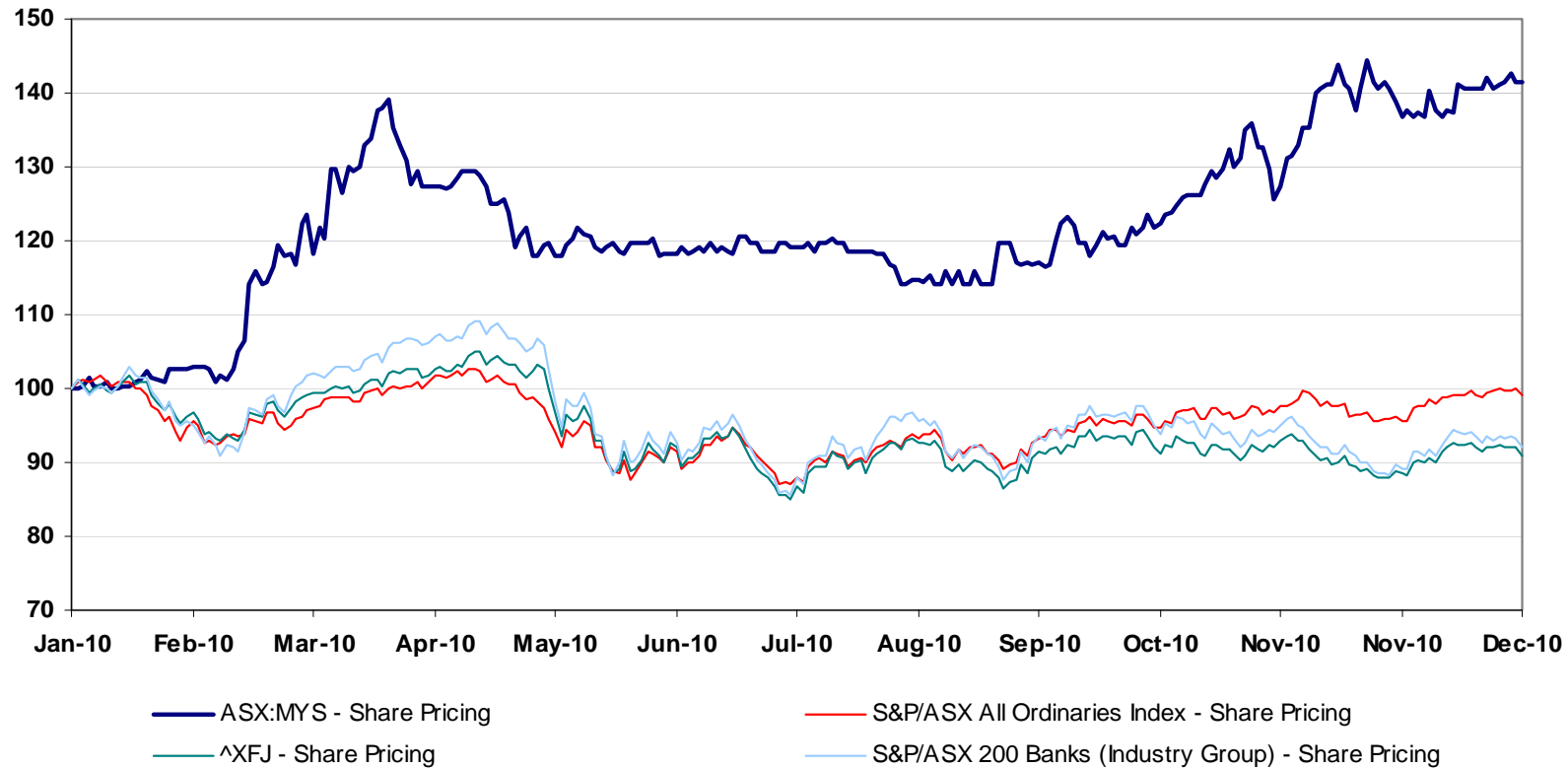
Returns to Shareholders

The Board of MyState Limited has established a policy of generally paying ordinary dividends each year within the range of 70% to 90% of net profit after tax. This reflects;

- confidence in the prospects of the business
- strong cash flow generation
- high level of franking credits available
- reward to shareholders in difficult economic times

MyState Limited 12 month Relative Stock Performance to December 2010

Relative Performance (%)



Questions ?

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