

QUESTIONS ANSWERED

TRUST COMPANY LIMITED
FY10 RESULTS PRESENTATION

John Atkin
Chief Executive Officer
April 2010

Trust Company Limited ACN 004027749

trust
SINCE 1885

Disclaimer

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of Trust and certain plans and objectives of the management of Trust. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', plan, 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. All such forward looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies and other factors, many of which are outside the control of Trust, which may cause the actual results or performance of Trust to be materially different from the future results or performance expressed or implied by such forward looking statements. Such forward-looking statements speak only as of the date of presentation.

No representation or warranty is or will be made by any legal or natural person in relation to the accuracy or completeness of all or part of this document, or any constituent or associated presentation, information or material (collectively, the Information), or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in, or implied by, the Information or any part of it. The Information includes information derived from third party sources that has not been independently verified.

To the full extent permitted by law, Trust disclaims any obligation or undertaking to release any updates or revisions to the Information to reflect any change in expectations or assumptions.

Nothing contained in the Information constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the Information and any action on the basis of the Information.

Agenda

- How did we perform in FY10?
- What does the new strategic vision and direction mean for Trust?
- What are our plans for FY11?
- Appendices

Executive Summary

- Financial result in line with guidance
- FY10 Work Plan delivered
- Final dividend of 16.5 cents per share (total dividend of 33.7 cents per share for FY10)
- Detailed strategic review completed
- Five year plan mapped out
- FY11 objectives set
- Dividend payout ratio of 100% reported NPAT
- Company managing for performance while positioning for growth

FY10 Work Plan: 2H10 highlights

- 5 MIT referrals from Singapore
- H&PI passes 100th client milestone
- Further RE mandates won
- WA licence awarded
- Alternative asset classes targeted

ENGAGE OUR STAKEHOLDERS

- **Shareholders:** greater focus on transparency and engagement
- **Clients:** corporate and private client surveys and seminars; increased client contact
- **Staff:** teamwork developed; health & wellbeing activities extended
- **Markets:** relationships with regulators strengthened through submissions; advocacy and greater engagement
- **Community:** improved promotion of sponsorship and awards; National Compact

FOCUS ON GROWTH

CULTURE BRAND & STRATEGY

- Strategic Plan developed
- Vision, purpose and goals clarified
- Ethical Framework set
- Brand Model developed
- Priorities for FY11 agreed

STRENGTHEN THE CORE

- FY11 Performance Framework built
- Centralisation of services & settlements
- Strengthened internal processes (RE, E&T, PC)
- Product & Services Architecture review

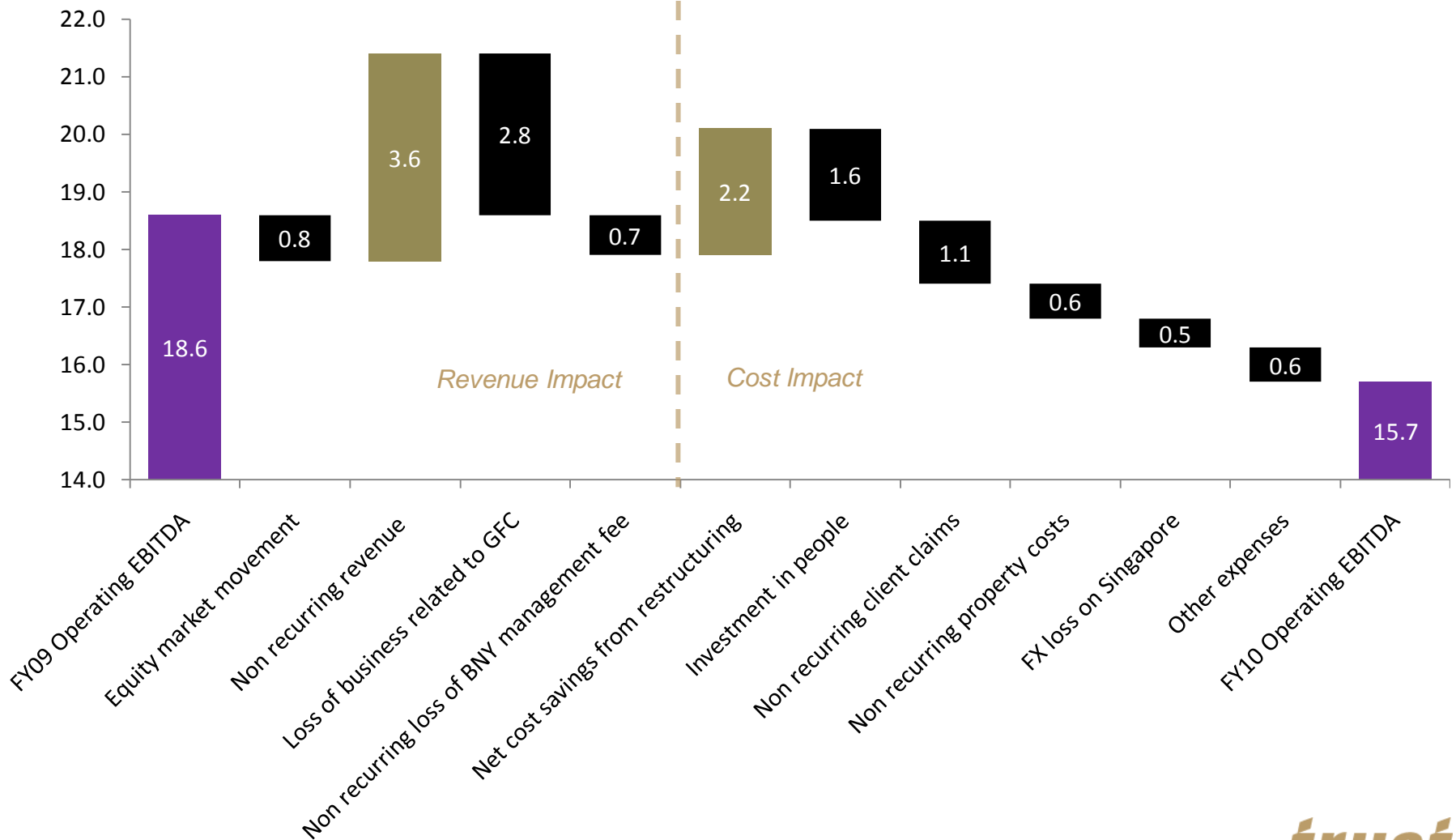
FY10 financial result in line with market guidance

12 months ended 28 th February (A\$m)	FY09	FY10	% change
Operating revenue	55.4	54.7	(1)
Operating EBITDA	18.6	15.7	(16)
Operating NPAT	15.5	11.7	(25)
Net significant items (after tax)	5.1	(0.8)	(116)
Reported NPAT	20.6	10.9	(47)
EPS operating (cents per share)	48	36.3	(24)
Basic EPS reported (cents per share)	63.8	33.8	(47)
Total DPS (cents per share)	142	33.7	(76)

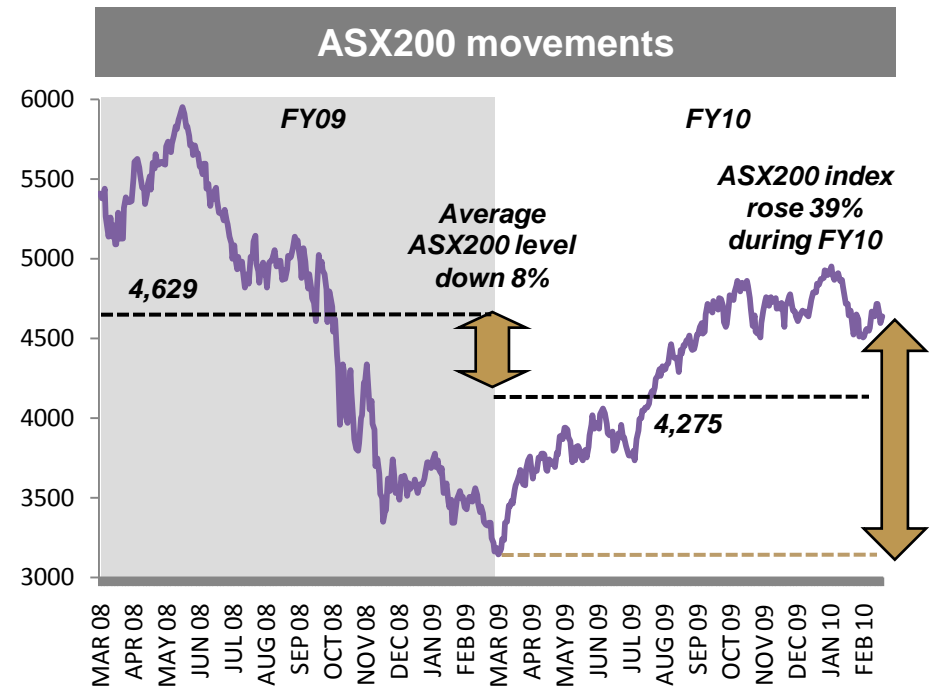
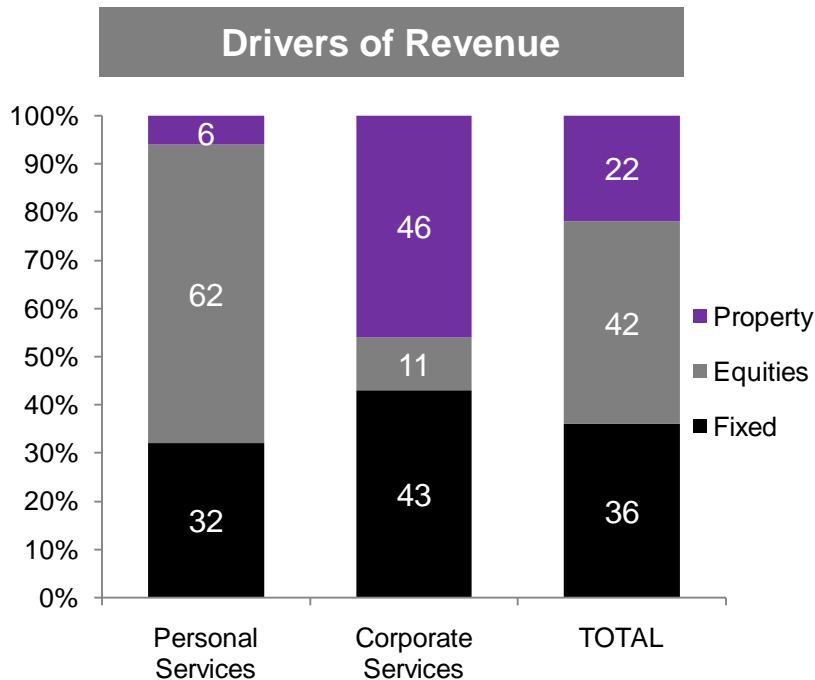
- Operating revenue down 1%
- Operating EBITDA down 16% on pcp reflects non-recurring costs such as property, provisions for claims, bad debts and FX movements
- Reported NPAT comparison on pcp impacted by \$13.9m after tax contribution from BNYTA sale in FY09
- Total ordinary DPS of 33.7c down 20% on pcp, excluding 100c special dividend in FY09

GFC and non recurring costs impact Operating EBITDA

FY09 to FY10 Operating EBITDA Bridge (\$m)

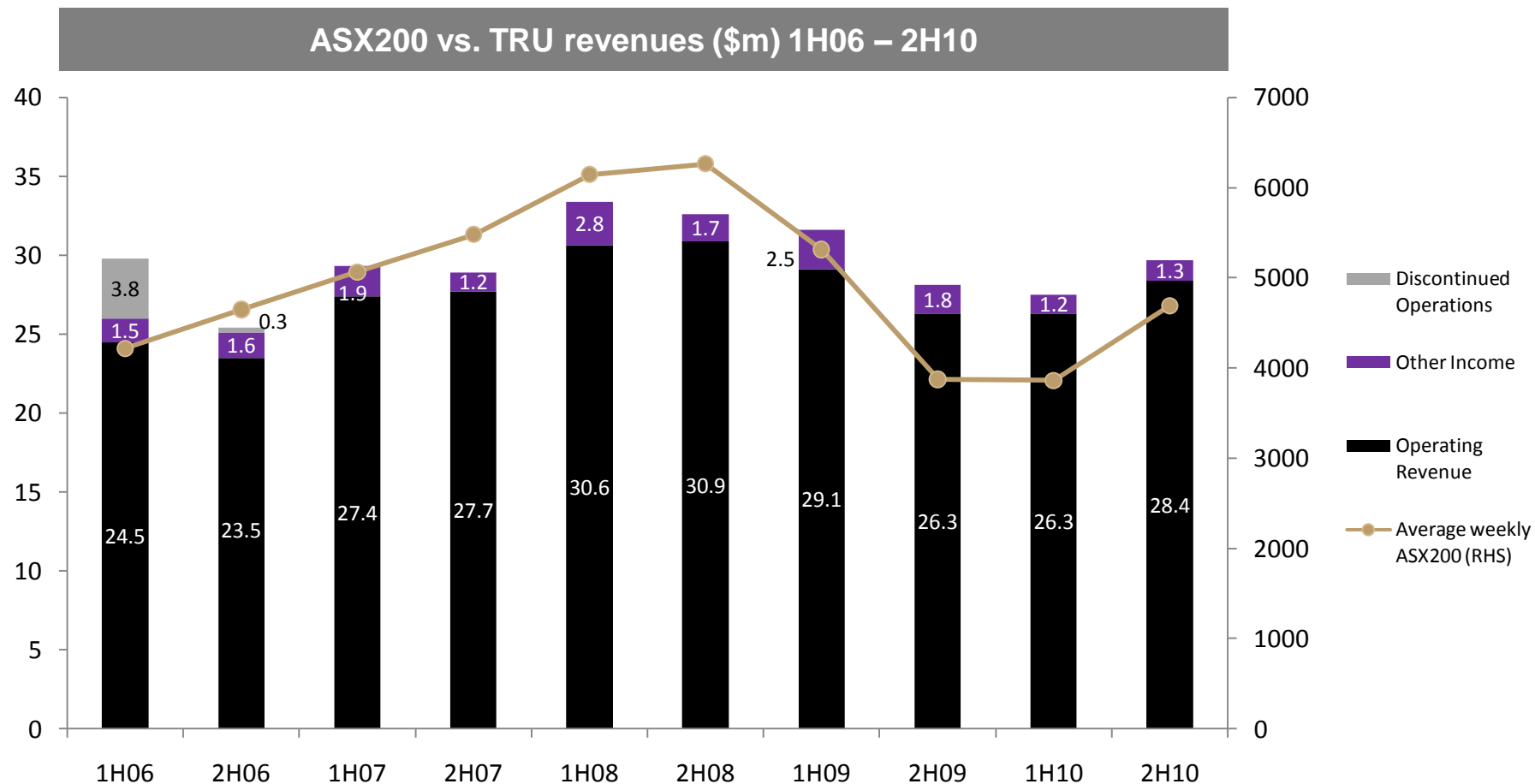


Asset price volatility impacts approximately 64% revenue



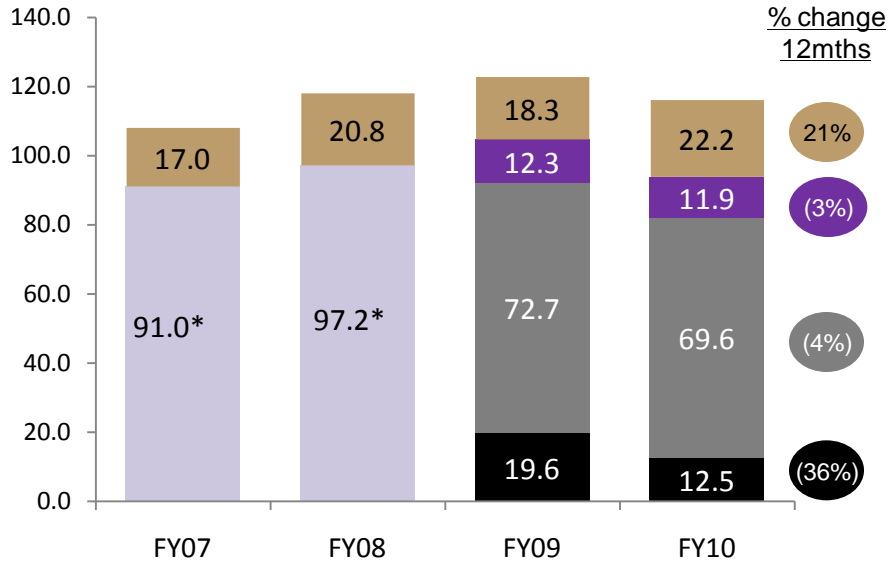
- 36% annual revenue base currently insulated from asset price volatility
- 1% movement in the ASX200 impacts revenue by approximately \$100k at current levels
 - The changing mix of equity, cash and property assets under supervision means this relationship is non-linear
 - Average ASX200 index level fell 8% during FY10 against pcp
 - ASX200 index closed up 39% on opening FY10 level

ASX200 vs. TRU revenues



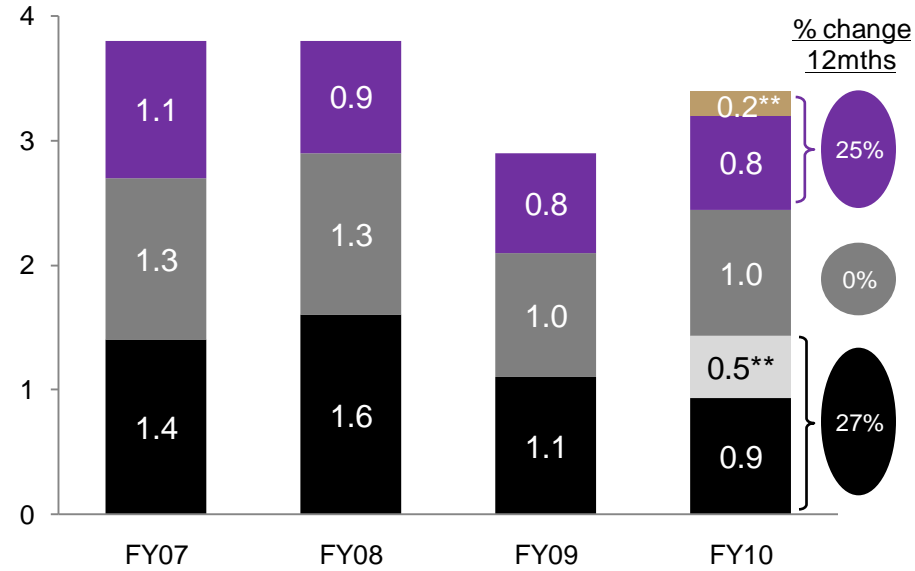
Recovering equity markets helped offset cash fund outflows

Corporate Services: Assets Under Supervision of \$116 billion, down 5%



- Super (Funds under Supervision)
- RE (Funds under Supervision)
- PIC (Funds under Custody)
- SF (Funds under Supervision)
- * Assets under supervision not reported separately for RE, PIC and SF in FY07 and FY08

Personal Services: Assets Under Management of \$3.4 billion, up 17%



- H&PI (Funds under Management)**
- Private Clients (Funds under Management)
- Funds Management (Funds under Management)
- Philanthropy (Funds under Management)**
- Estates & Trusts (Funds under Management)
- ** Funds under Management reported separately for FY10

FY10 Significant Items (after tax) down

12 months ended 28 th February 2010 (A\$m)	FY09	FY10
Profit on sale of available-for-sale investments	0.1	2.8
Claim recoveries	0.5	1.3
Provision for Townsville fraud costs	(0.7)	(1.4)
Business transformation expenses	(2.3)	(3.5)
Profit on sale of BNYTA joint venture	13.9	-
Net (loss) on investments	(6.2)	-
Merger discussion expenses	(0.2)	-
Net significant items after tax	5.1	(0.8)

- Net significant items after tax for FY10 were a \$0.8m loss compared with \$5.1m profit in FY09
 - BNYTA profit on sale in FY09 of \$13.9m after tax impacts FY10 pcg comparison
- Sale of investment portfolio and TPX stake generated \$2.8m profit after tax
- Business transformation expenses include costs associated with the strategic review and addressing legacy issues

Continued strong operating cash flow

12 months ended 28 th February 2010 (A\$m)	FY09	FY10	% Change
Operating EBITDA	18.6	15.7	(16)
Working capital movement	2.2	3.8	73
Operating cash flow before tax and significant items	20.8	19.5	(6)
Townsville fraud net cash received	(8.3)	3.9	-
Other net significant items (cash paid)	(2.3)	(1.0)	(57)
Tax paid	(8.5)	(10.0)	18
Net cash provided by operating activities	1.7	12.1	612

- Insurance received from claims relating to Townsville fraud generated \$3.9m in cash
- Tax paid in FY10 \$1.5m higher pcp due to tax payment on BNYTA sale

Solid financial position

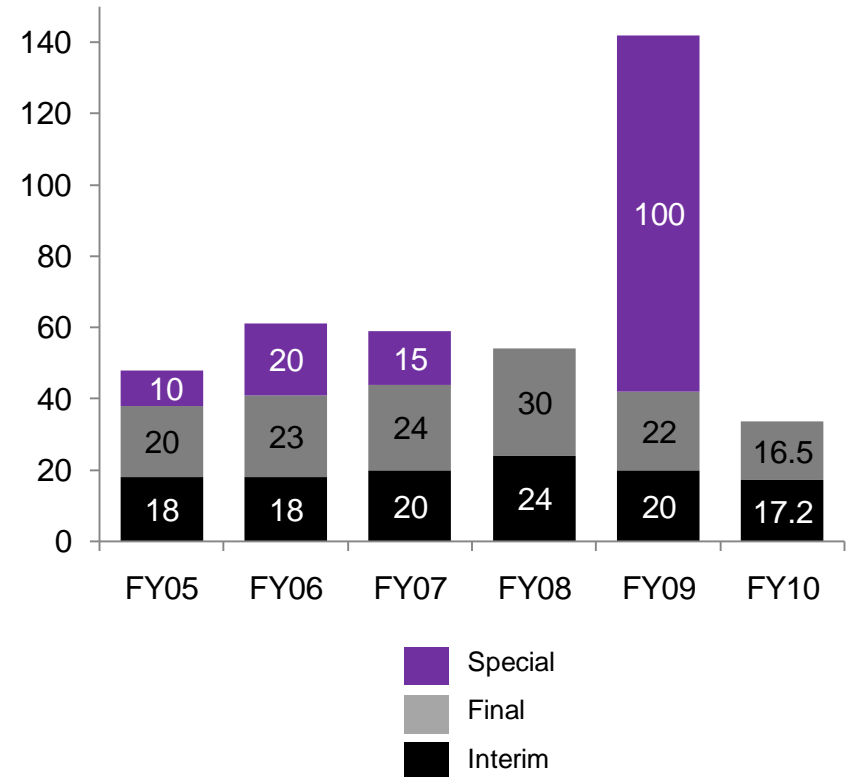
- De-risked the business by converting listed investment portfolio into cash
 - Investment portfolio
 - TPX
- Retained strategic stake in EQT valued at \$16.93 per share
- Maintained zero interest-bearing debt
- NTA of \$73.5m including \$39.5m in cash
 - NTA per share of \$2.27

At 28 th February 2010 (A\$m)	FY09	FY10
Net operating assets	52.2	50.0
Townsville receivables	8.3	3.3
Listed investment portfolio	16.3	-
Strategic stake in EQT	19.8	20.2
Cash	17.5	39.5
Net assets	114	113
Net tangible assets per share (\$)	2.31	2.27

FY10 Dividends

- The Board has declared a final ordinary dividend of 16.5 cents, fully franked
- FY10 total of 33.7 cents, fully franked
- For FY11, Trust will continue to target a dividend payout of 100% of reported NPAT (fully franked)
 - DRP suspended
 - Waiting for clarification of regulatory capital requirements

FY05 – FY10 Dividends Per Share (cents)



FY11 Outlook

- Operating EBITDA (excluding investment income) is expected to be in the range of \$15.7m to \$18.7m (pcp: \$15.7m)
- Interest and dividend income from Trust's investment portfolio is expected to be in the range of \$2.8m to \$3.4m (after tax) (pcp: \$2.2m)
- The net significant expense after tax is expected to be in the range of \$1.1m to \$1.5m (pcp: \$0.8m) and primarily relates to the expected cost of the strategic plan initiatives.
- Based on the above, reported NPAT is expected to be in the range of \$11.5m to \$13.7m (pcp: \$10.9m)
- This financial outlook assumes a continuing improvement in investment market levels. We have assumed an opening ASX200 index of 4700 and total investment market returns of 8.5% during the year. At a group level, the sensitivity of revenue to market movement will vary with the ASX200 index. At current market levels, a 1 percent movement in the ASX200 index will impact our revenue by about \$100,000

Agenda

- How did Trust perform in FY10?
- What does our new strategic vision and direction mean for Trust?
- What are our plans for FY11?
- Appendices

Strong external drivers for growth

Personal Services	Corporate Services
<ul style="list-style-type: none">• Ageing population• Increased age-related illness• Wealth transfer planning• Demand for personalised services• 'Sleep-at-night' sentiment	<ul style="list-style-type: none">• Regulatory change• Move towards independence• Expansion into alternative asset classes• Regional expansion• Capital in-flow into Australia

- These external drivers will build on the strong inherent potential of the business:
 - Embedded client base
 - Annuity-style income stream
 - Broad expertise

Net impact of regulatory reviews likely to be positive

ASIC considers ban on financial advisers' fees

Nicola Berkovic | The Australian, The Australian | September 17, 2009 12:00AM   

THE head of the nation's corporate watchdog has warned that banning commissions for financial advice will drive many planners out of business but says the long-term gain for the industry and consumers is worth it.

Fiduciary duty may benefit direct investment

Duty will make advice more expensive

Money Management

Ripoll signals licensing changes

6 October 2009 | by Liam Egan

Stating the commissions "by their very nature represent a conflict", Ripoll said this was an area in particular that the inquiry was "determined to find some clarity on".

Fiduciary duty is, alongside the role of trustees, the highest professional standard and superior in all ways to any payments between product manufacturers and financial

The challenge for regulators: 'Don't waste a good crisis'

RUTH WILLIAMS
September 15, 2009

"Now we face a financial crisis of truly global proportions," the Prime Minister, Kevin Rudd, told the United Nations in late September. "The challenge is to reform financial markets and regulatory systems, to reduce the chances of these events repeating themselves."

smh.com.au

The Sydney Morning Herald

MIS failures hit home

RUTH WILLIAMS AND PHILIP HOPKINS
July 15, 2009

Shake-up for financial planners

- Tougher standards to improve advice
- Accountants stripped of key super role

Alison Kahler and Zoe Fielding

CRACKING DOWN

trust

SINCE 1885

The strategic review confirmed that our competitive advantage would be maximised by differentiating as a trustee

OUR VISION

- **To be Australia's pre-eminent trustee**

OUR PURPOSE

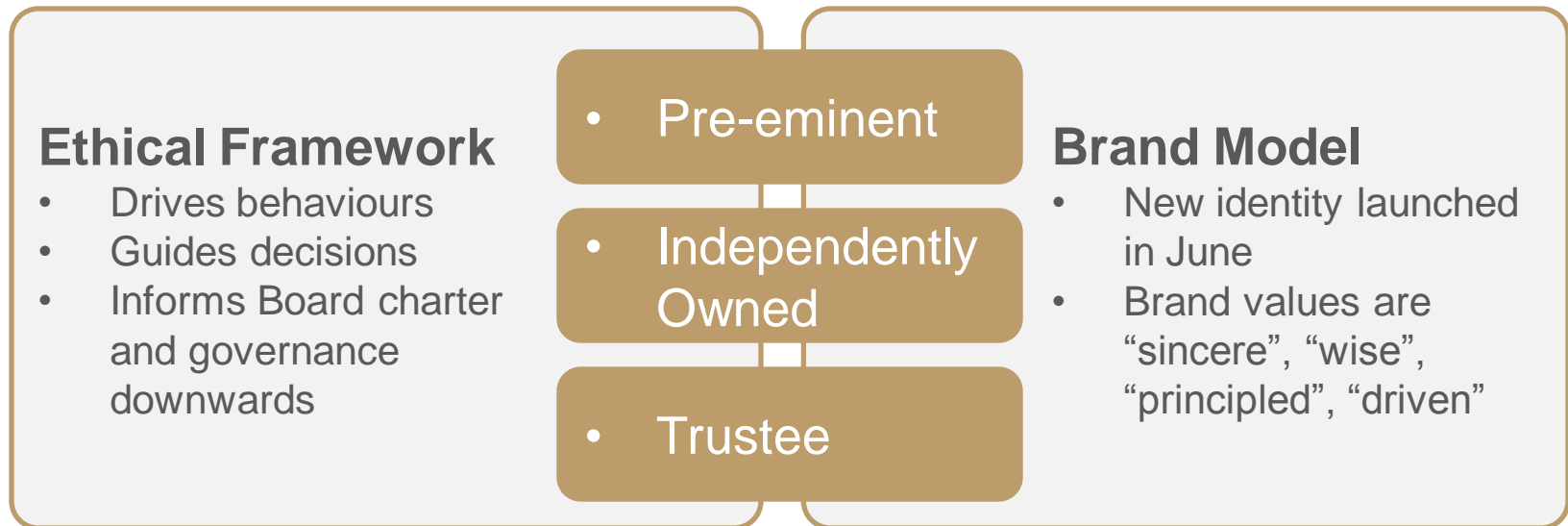
- To care for the wealth & wellbeing of our clients

OUR GOALS

- Trustee of choice
- Enduring client relationships
- High performance team culture
- Consistent growth in shareholder distributions
- Admired and valued in the community

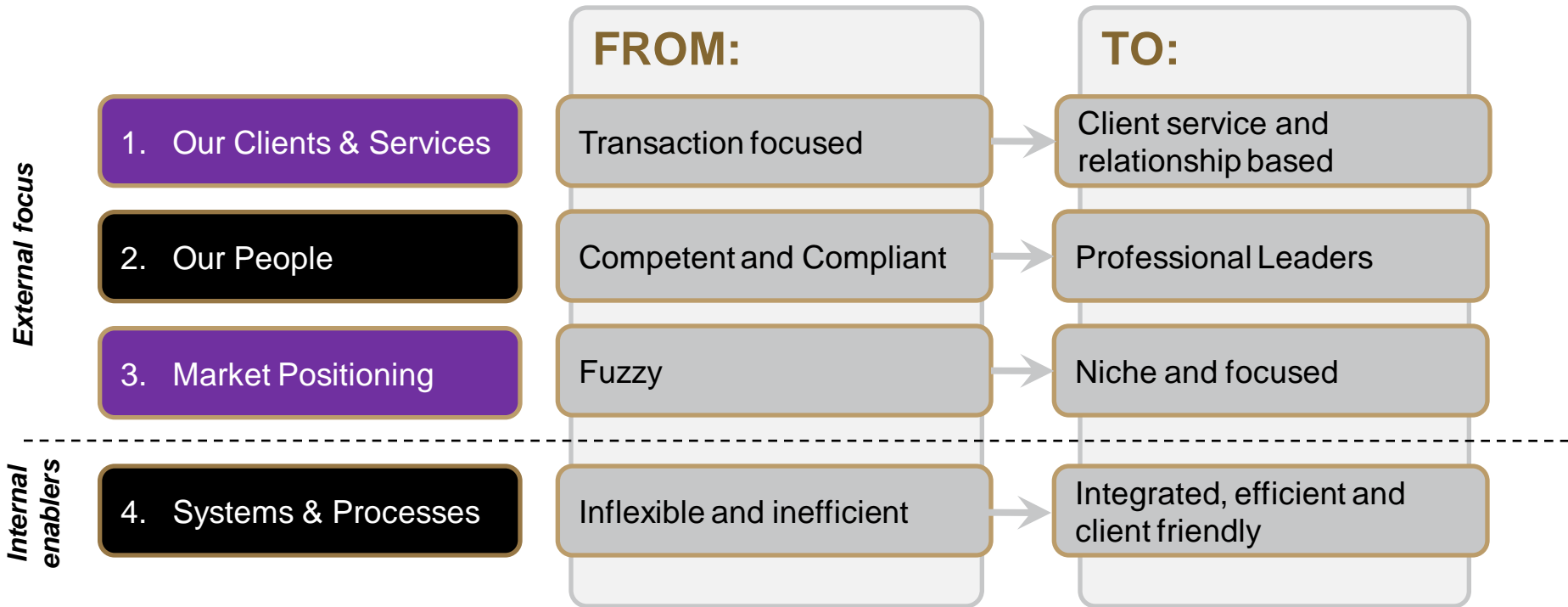
- Our corporate objective is to create long-term wealth for our shareholders through caring for the wealth and wellbeing of our clients

Our new ethical framework & brand model provides a foundation for our competitive differentiators



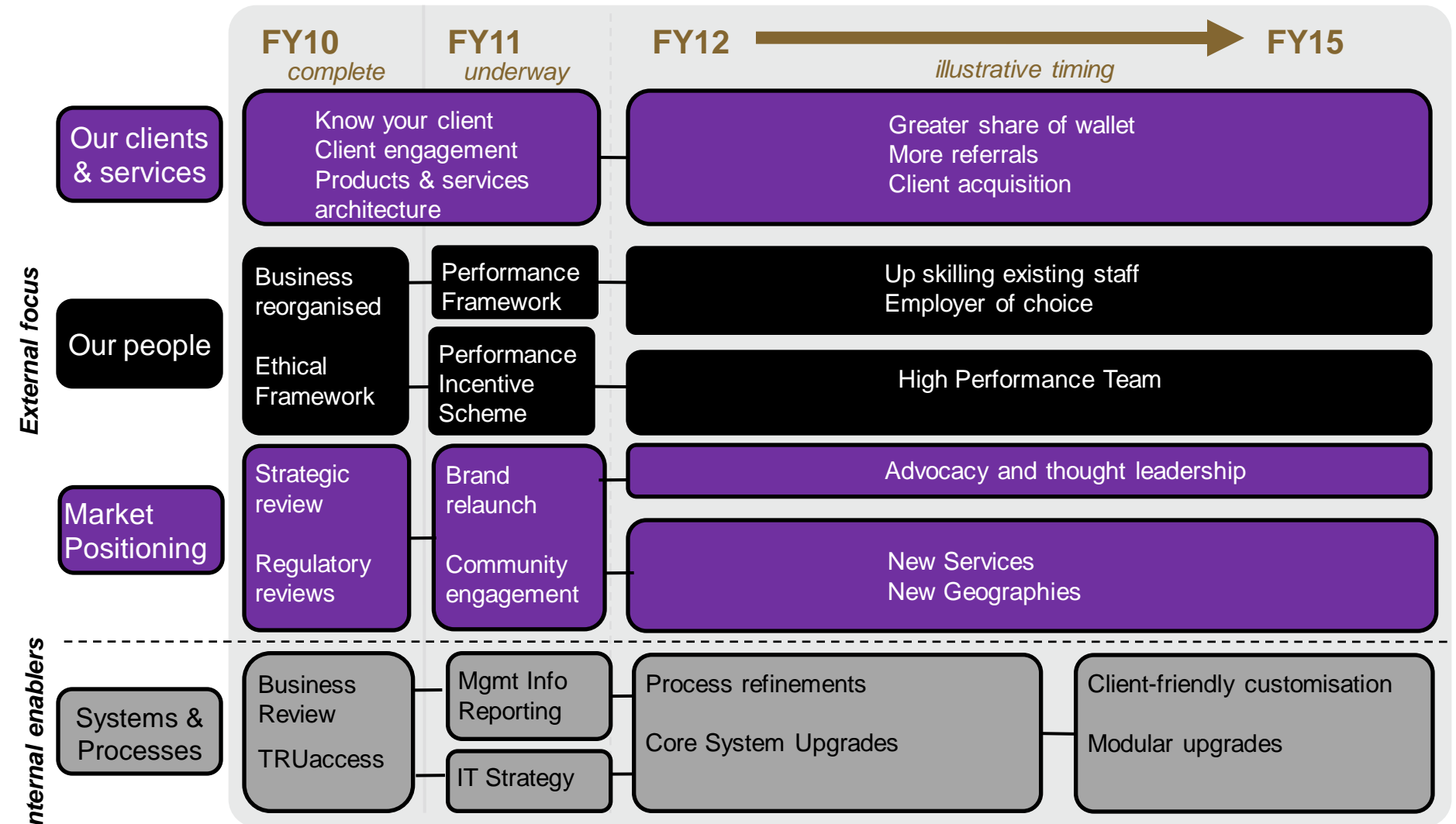
- Developed in consultation with all staff
- Alignment with our vision and strategy will help drive cultural change within the company

How we will change over the next 5 years



- We will manage for performance through this change program to ensure we deliver on our objective to deliver consistent growth in shareholder distributions

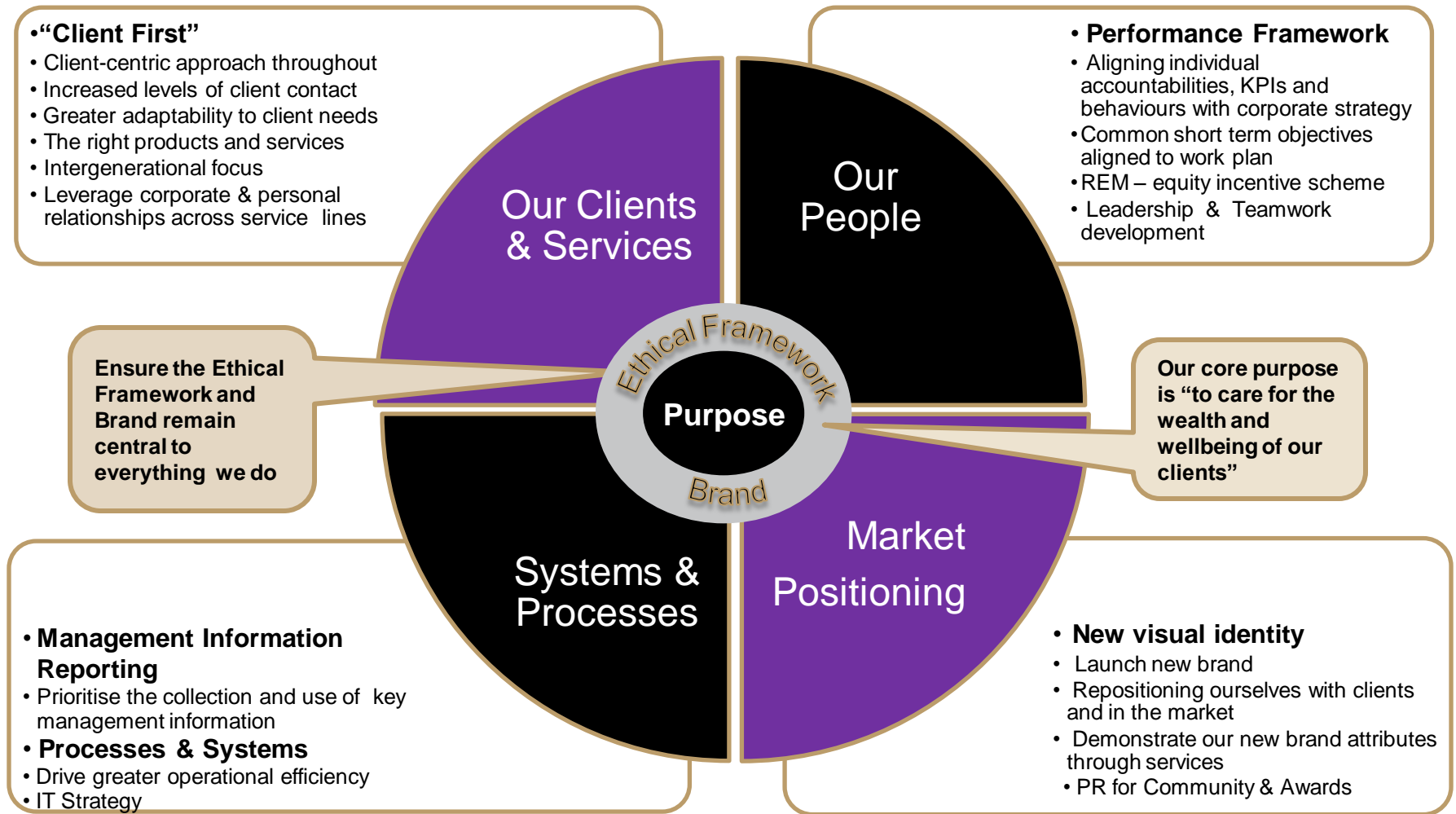
Overview of our Strategic Plan



Agenda

- How did Trust perform in FY10?
- What does our new strategic vision and direction mean for Trust?
- What are our plans for FY11?
- Appendices

FY11 work plan focuses on performance management



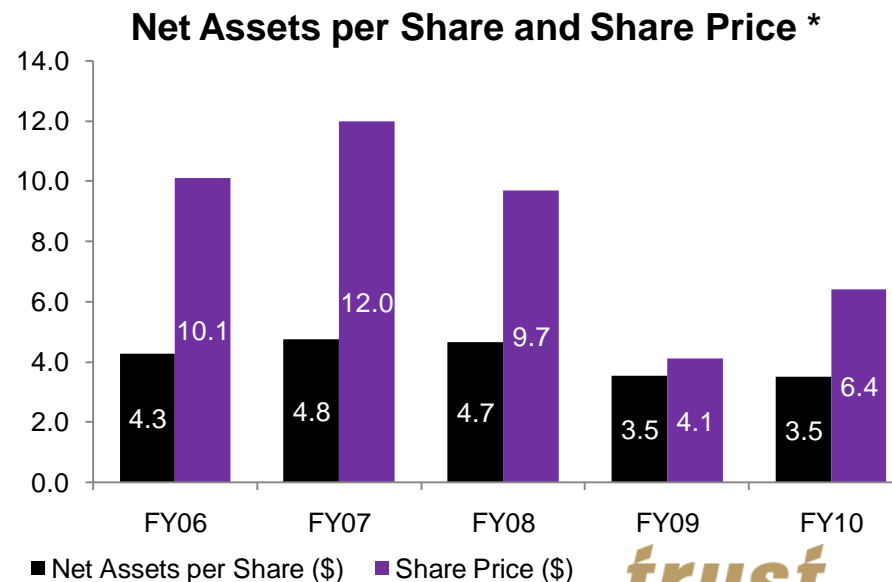
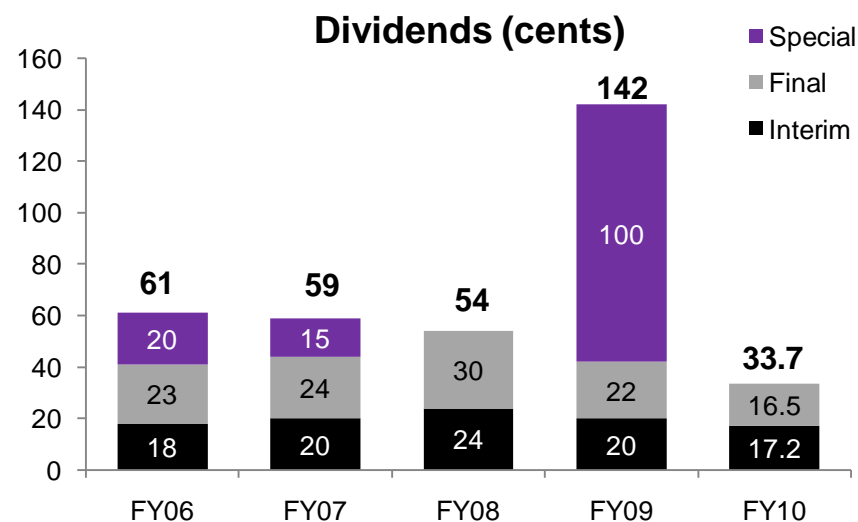
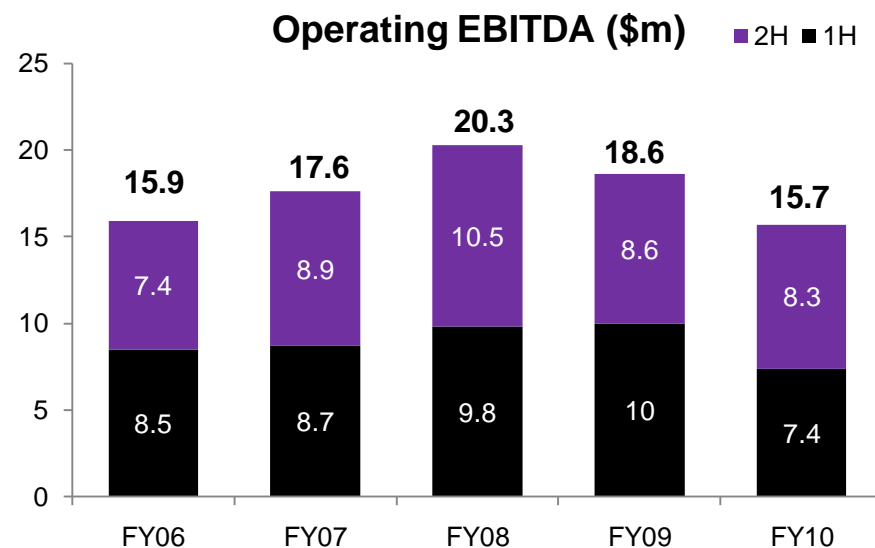
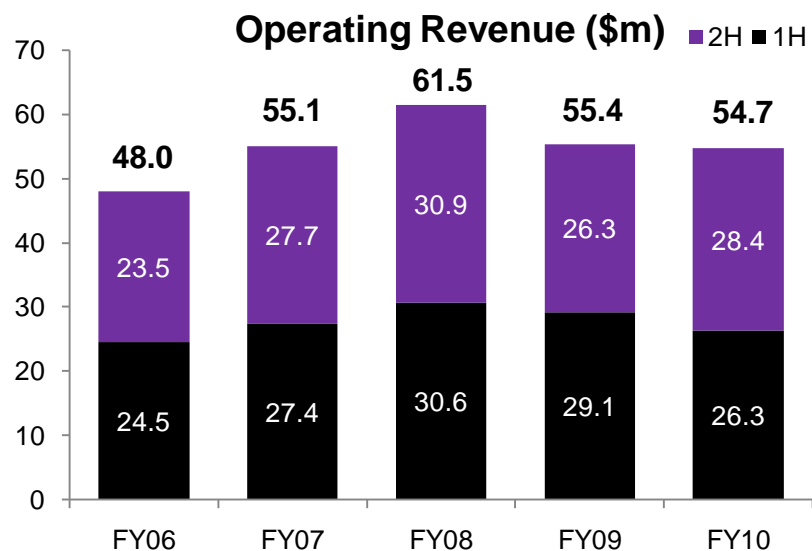
Executive Summary

- Financial result in line with guidance
- FY10 Work Plan delivered
- Final dividend of 16.5 cents per share (total of 33.7 cents per share for FY10)
- Detailed strategic review completed
- Five year plan mapped out
- FY11 objectives set
- Dividend payout ratio of 100% reported NPAT
- Company managing for performance while positioning for growth

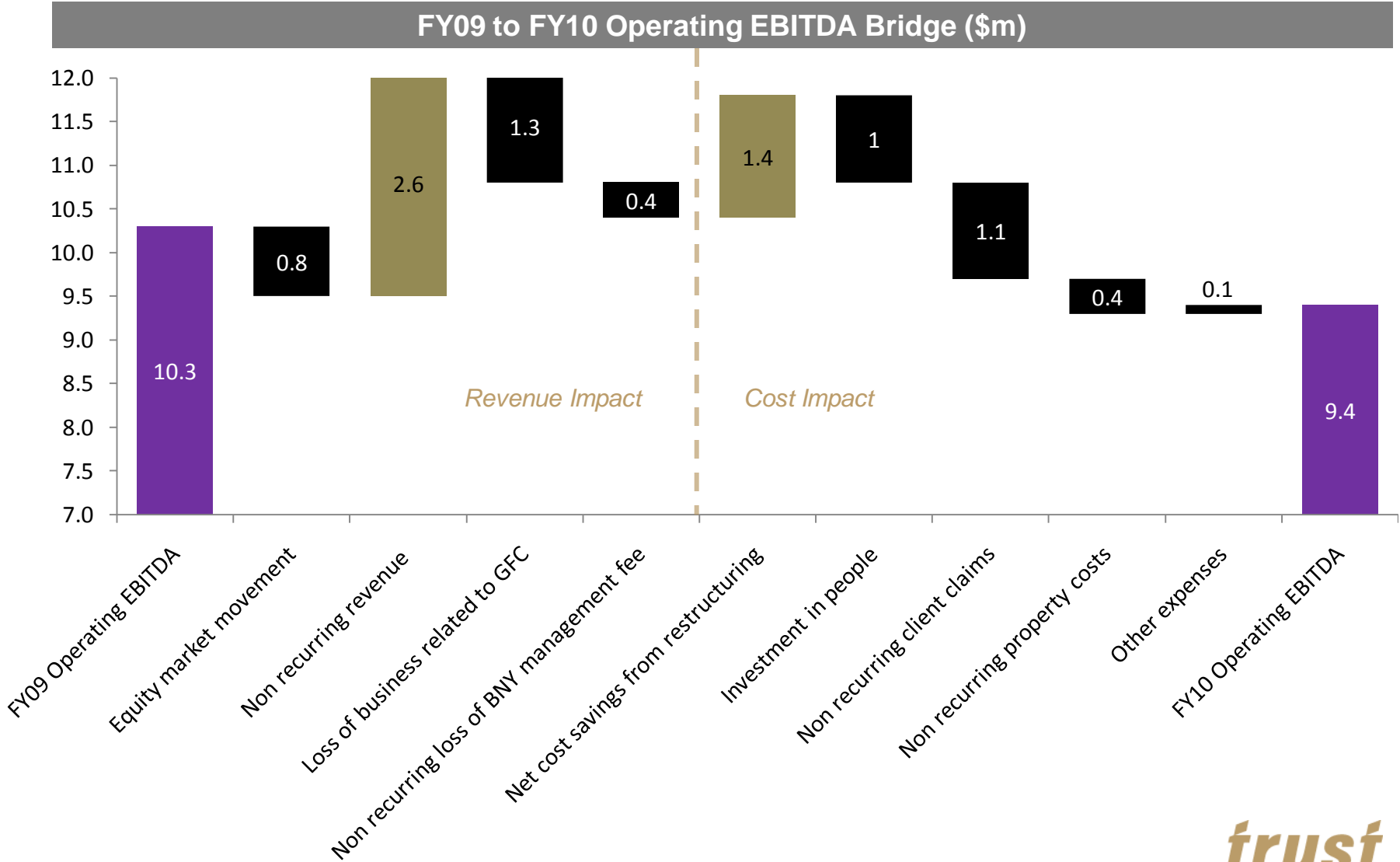
Appendices

- 5 Year Summary
- Divisional EBITDA bridges
- Overview of Regulatory Reviews
- FY10 timeline
- Ethical Framework of 'The Trust Company'

Five Year Summary

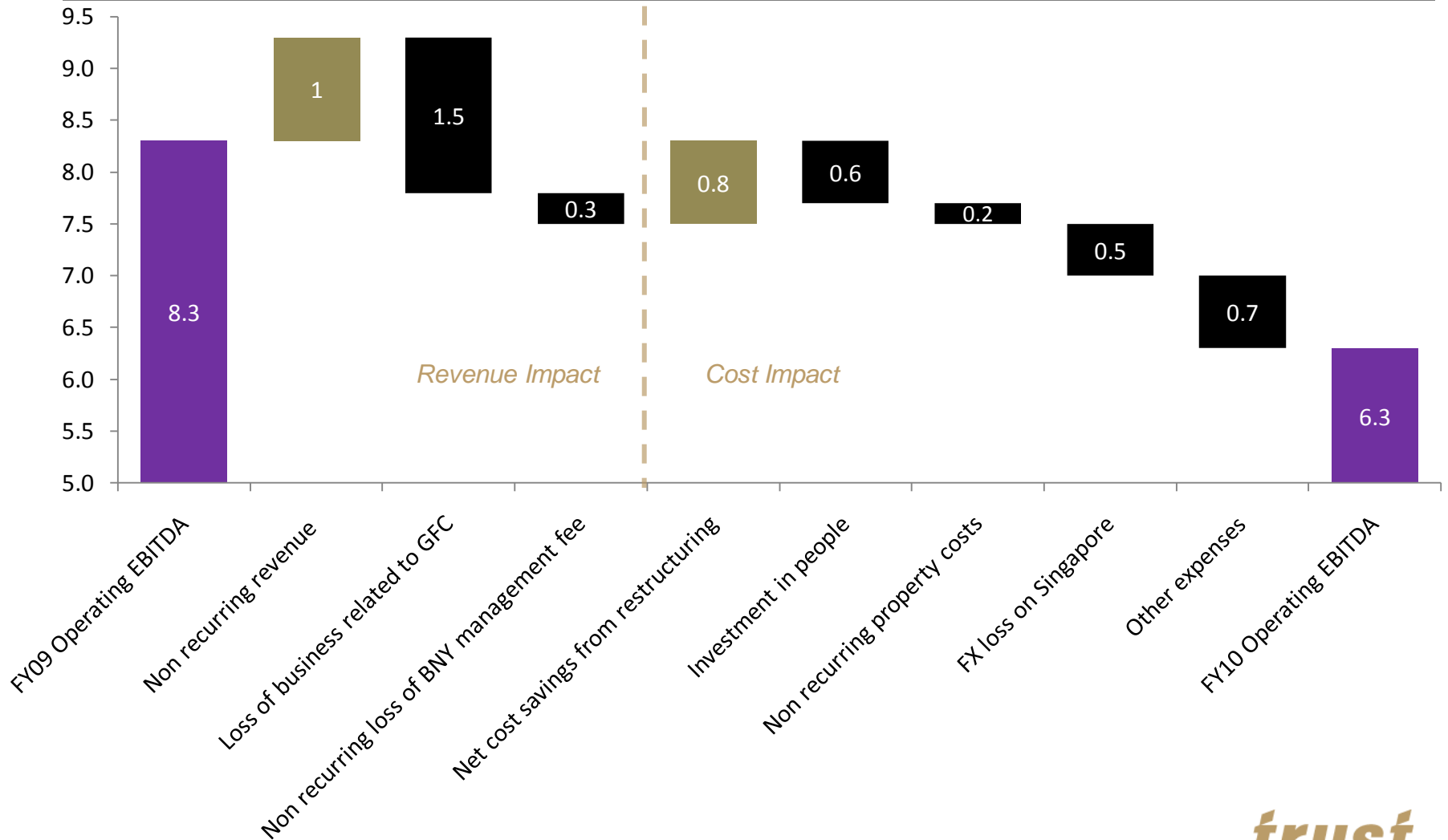


Divisional Performance – Personal Services



Divisional Performance – Corporate Services

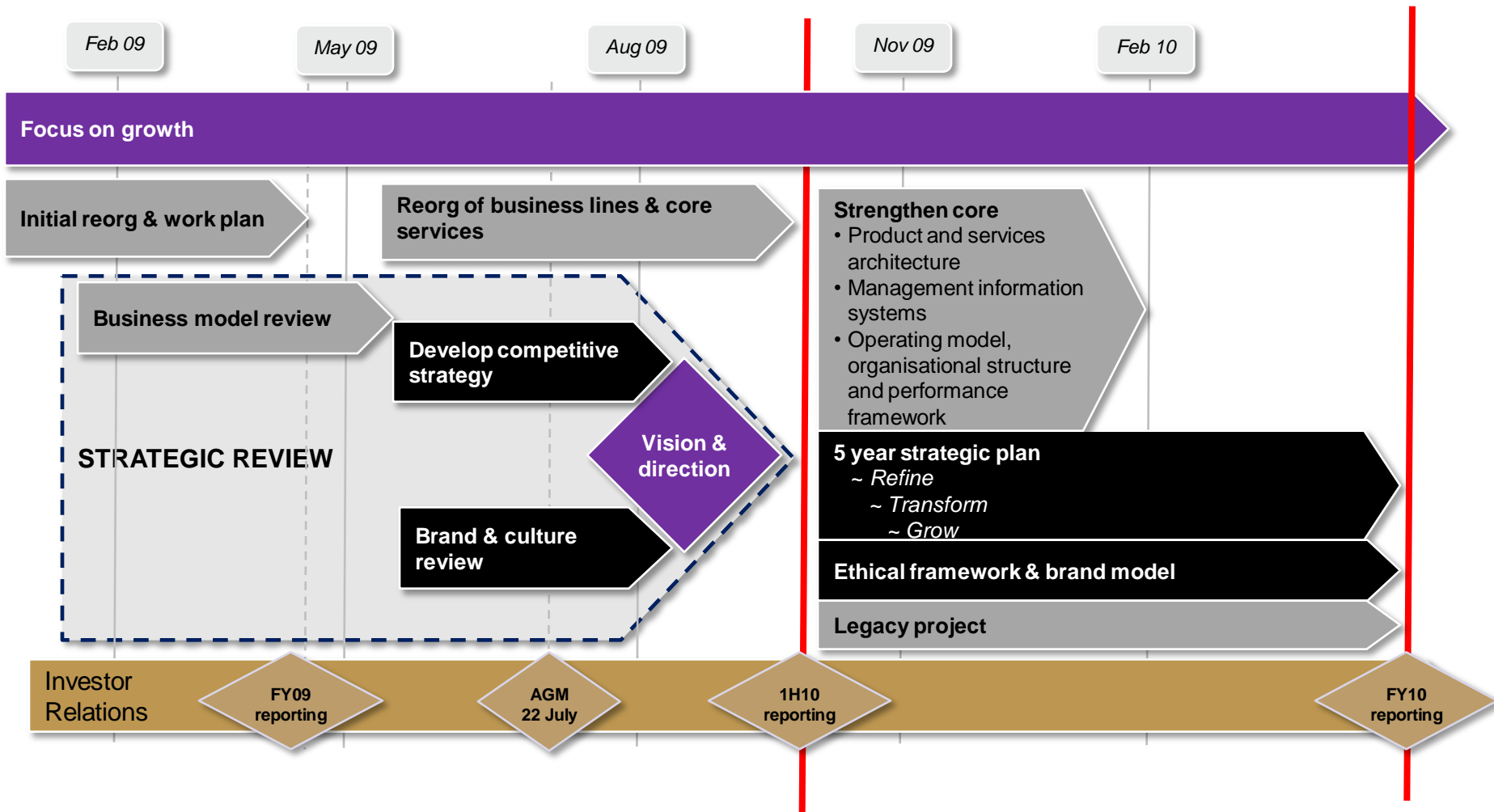
FY09 to FY10 Operating EBITDA Bridge (\$m)



Significant regulatory change is likely

Focus Area	Regulation of Trustee Companies	Credit	Superannuation	Tax	Distribution Models
Review	Financial Services Modernisation Bill	Consumer Credit Bill	Cooper Super Review	Henry Tax Review	Ripoll (PJC) Inquiries into (1) agribusiness & (2) financial services Bowen The Future of Financial Advice
Timing	6 May 2010	1 July 2010	30 June 2010	2 May 2010	Sept & Nov 2009 April 2010
Scope	<ul style="list-style-type: none"> Trustee companies will be regulated by Commonwealth legislation Fee deregulation and transparency ASIC regulatory supervision 	<ul style="list-style-type: none"> Consumer credit to be regulated at Commonwealth level 	<ul style="list-style-type: none"> Banning of all commissions Regulation of other fee types Statutory fiduciary duty for all financial advisers Governance of superannuation trustees 	<ul style="list-style-type: none"> Wide review of Tax System 	<ul style="list-style-type: none"> Review of MIS in the wake of collapsed agribusiness schemes & Storm & Opus Combined RE & Manager issues Capital adequacy Review of financial planners
Areas to watch	<ul style="list-style-type: none"> Help to streamline corporate structure & drive more efficiencies Strengthen our relationship with ASIC 	<ul style="list-style-type: none"> Minimal impact 	<ul style="list-style-type: none"> Increase the requirements for outsourced Super compliance trustee services Improved economics for outsourcing Potential increase in capital adequacy would benefit Trust 	<ul style="list-style-type: none"> Investment structure Superannuation 	<ul style="list-style-type: none"> Fiduciary obligations for planners Ban on commissions Transparent fee structures Capital requirements

FY10 Timeline



Our Ethical Framework

“On Which We Stand”

Ours is a trustee business – built on a solid foundation of independence, honesty and integrity. This is the stable base on which we continue to build – with the courage to question, to stand up for what we believe to be right and to act without fear or favour.

Ours is a business committed to excellence – with a focus on innovation, quality and continuous improvement. We work responsibly within a framework of accountability.

Ours is a passionate business - focused on becoming the best we can be. We are prudent in our judgement, disciplined in our execution and seek to learn from all that we do.

Ours is a professional business – in which trust is earned rather than merely claimed. Every person is treated with respect, compassion and care for their long-term interests.

We are motivated by a generosity of spirit.

We treat people as we wish to be treated.

Our commitment to our beneficiaries and clients is paramount.

Our business conduct will withstand the closest scrutiny.

Ours is a fair business – in our commercial relationships, our engagement with the wider community and our dealings with each other. The proper discharge of our obligations and a deep regard for the character and quality of relationships complements our pragmatic, commercial acumen and focus.

Ours is The Trust Company