A Definitive Point.

MyState LIMITED

Annual General Meeting
23 October 2012

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John Gilbert - Managing Director

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Our Current Group Structure

MyState Limited

Non-Operating Holding Company

100% owned

MyState
Subsidiary

ROCK Building Society
Subsidiary

Tasmanian Perpetual Trustees
Subsidiary

Result Highlights FY 2012

- Record profit despite challenging market conditions
- Regional diversification strategy on track
- Acquisition of The Rock completed
- Group asset footprint now $5.3bn*
- Strong performance from MSF – above system loan & deposit growth
- Solid performance of The Rock post acquisition
- Continuing low arrears across Group loan books
- Stable TPT performance as market volatility continued
- Strong brands
- Higher staff engagement

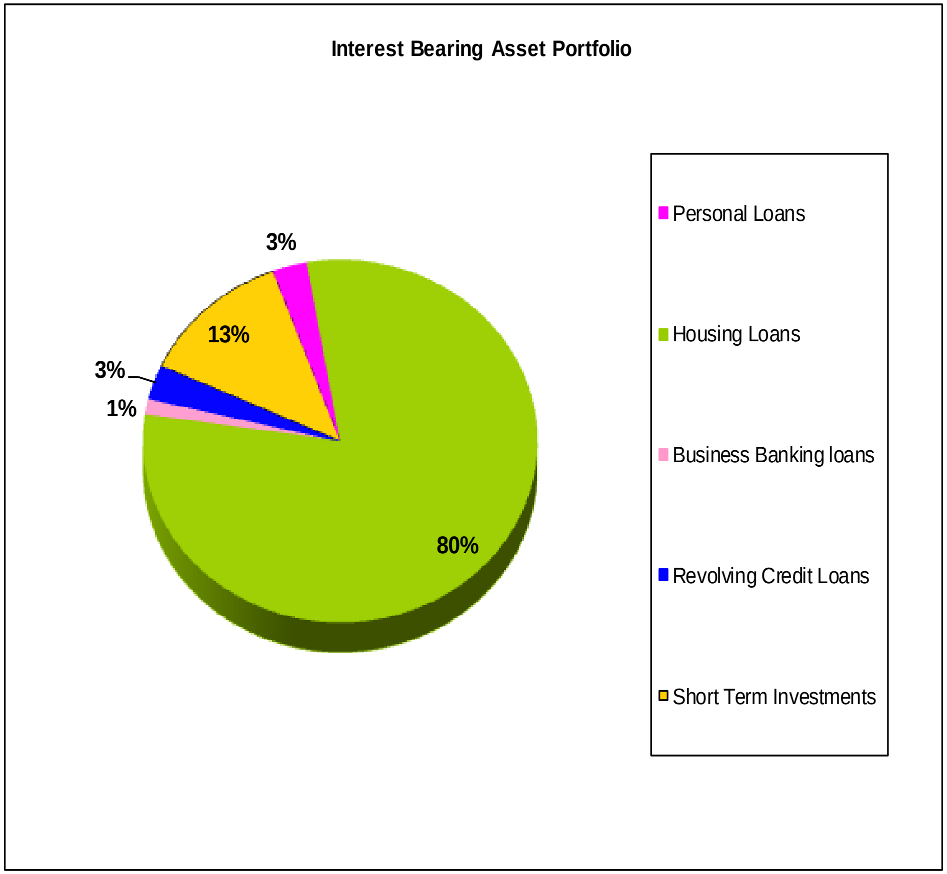
* Includes lending books, FUM and FUA

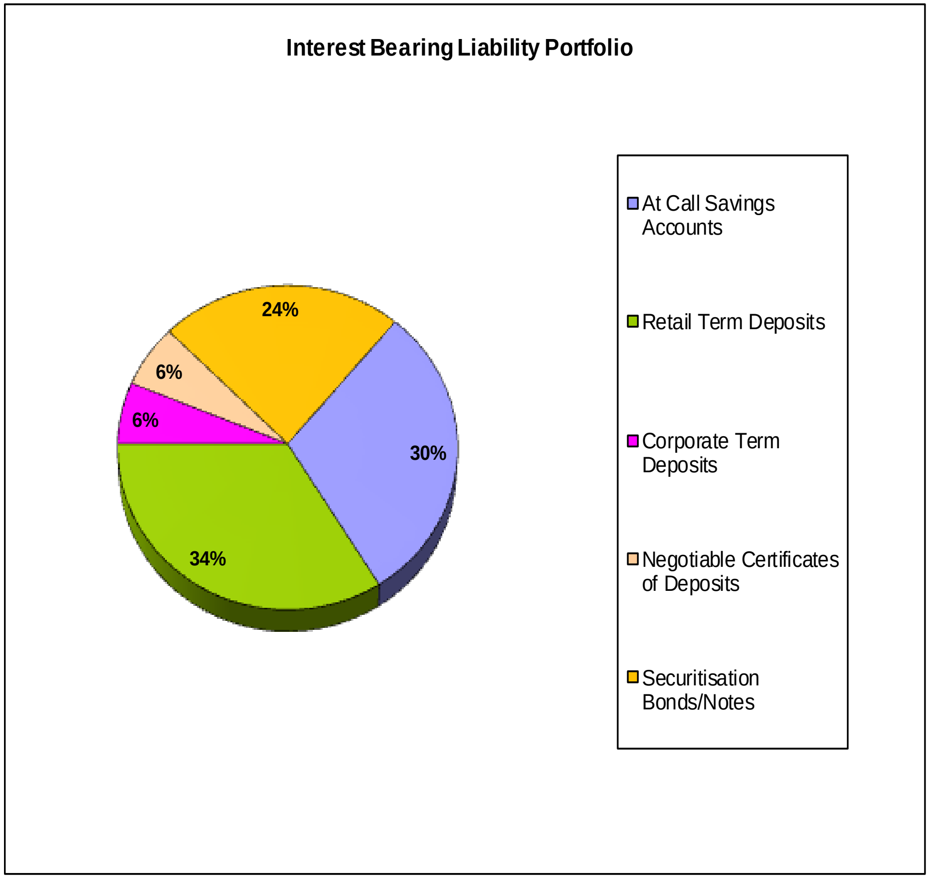
MYS 30 June 2012 'Snapshot'

Other Key Metrics	30 June 2012	30 June 2011	June 12 v June 11 (movements)
Group Capital Adequacy – Tier 1	14.20%	15.38%	1.18 ↓
Net Interest Margin - MSF (%)	2.99%	3.23%	0.24 ↓
Net Interest Margin - ROK (%)	1.87%	1.60% (1)	0.27 ↑
Underlying Cost to Income Ratio (2)	70.34%	68.94%	1.40 ↑
Underlying Return on Equity (%) (2)	9.30%	11.35%	2.05 ↓

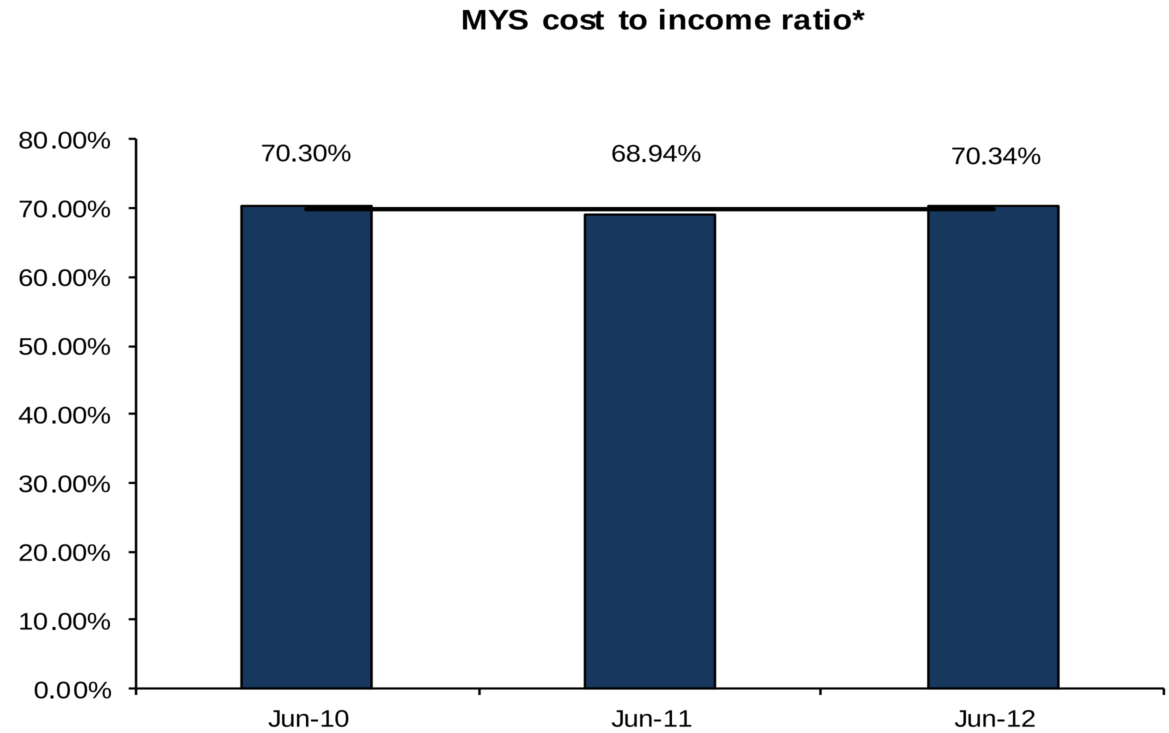
(1) As at 1 December 2011 - ROK acquisition date.
(2) Impacted by higher ROK cost to income ratio and lower ROE

MYS Group ADI assets and liabilities mix





Group Underlying Cost-to-Income



* Includes The Rock for 7 months to 30 June 2012.

MYS Cost Review Project

- Cost to income ratio flat, mainly due to net interest income pressures
- MYS response to this “flat” outcome in YEJ 12 – external benchmarking review undertaken May/June 2012
- Implementation of initiatives underway, full year annualised operational cost savings of $4.5 million* (underlying after costs to implement)
- Includes closure of 2 MSF branches in Hobart and 1 in Rockhampton
- Further productivity gains expected post core system replacement

* Expected to be achieved progressively during YEJ 2013

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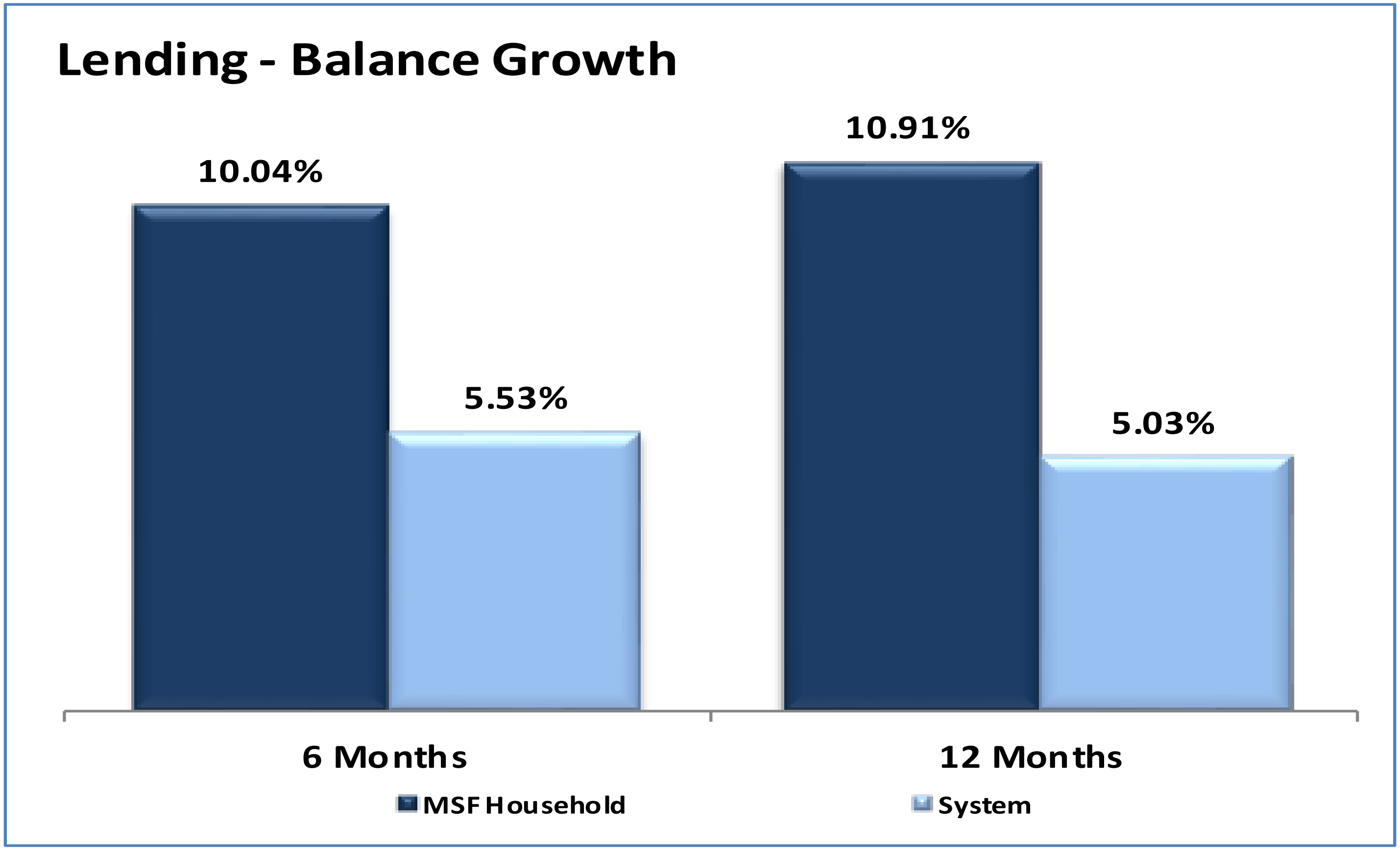
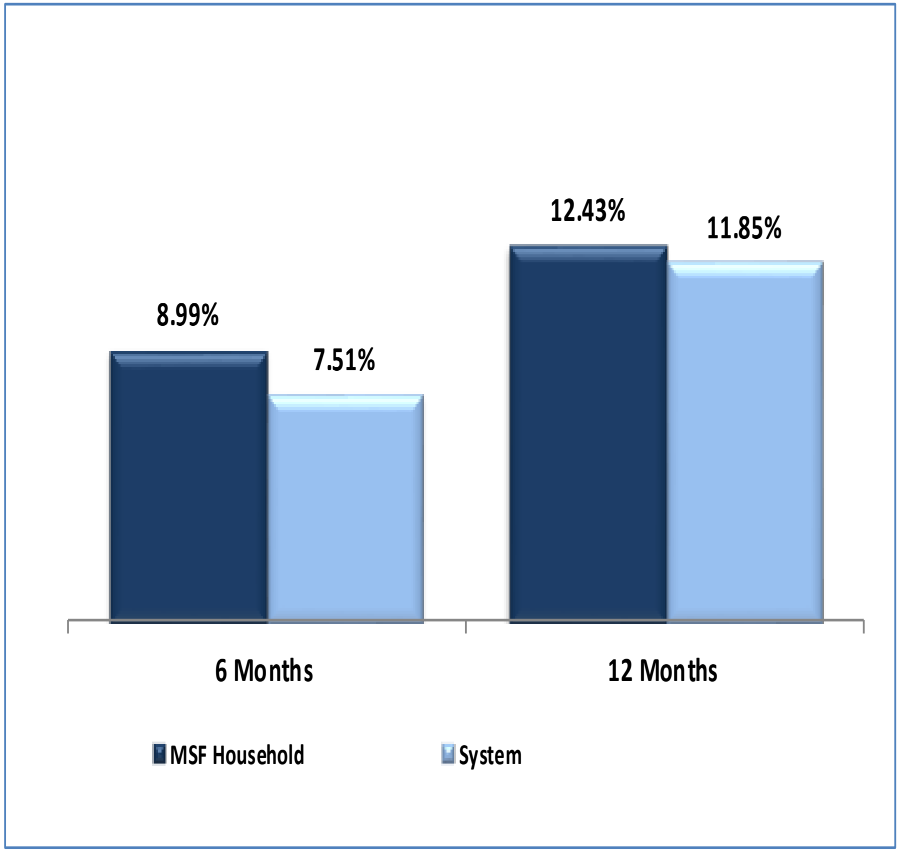
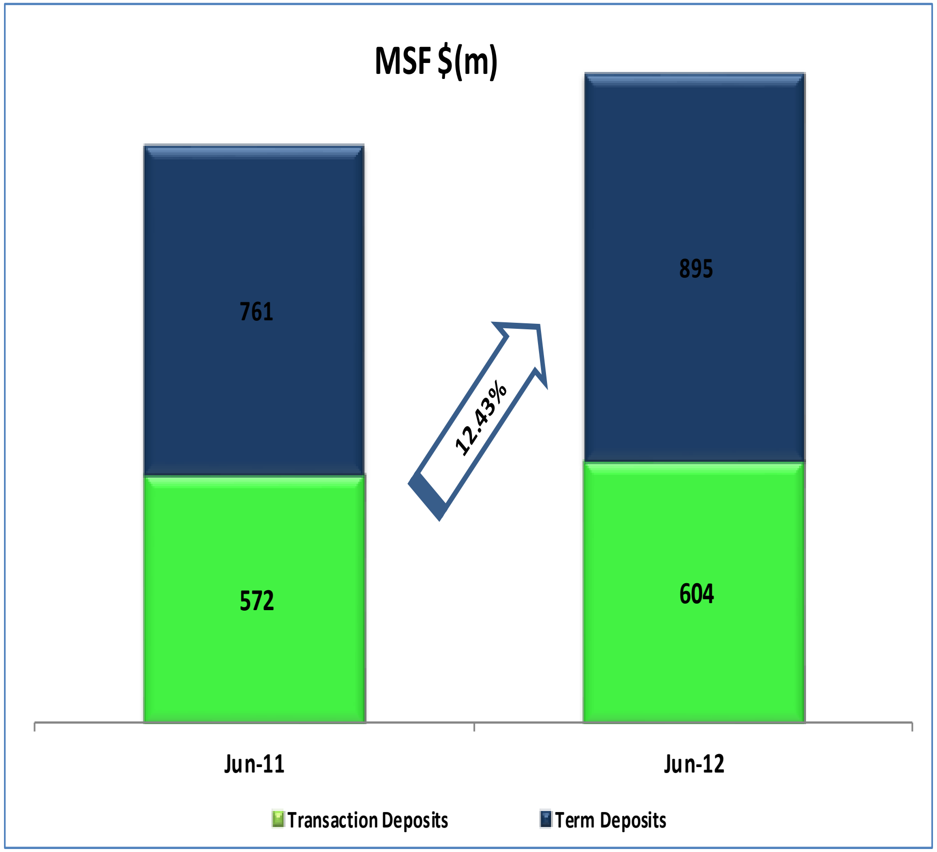
MSF Home Lending as at 30 June 2012



- System data source : RBA, Lending and Credit aggregates, published on 30 June 2012.
- Six month growth is to 30 June 2012 annualised.

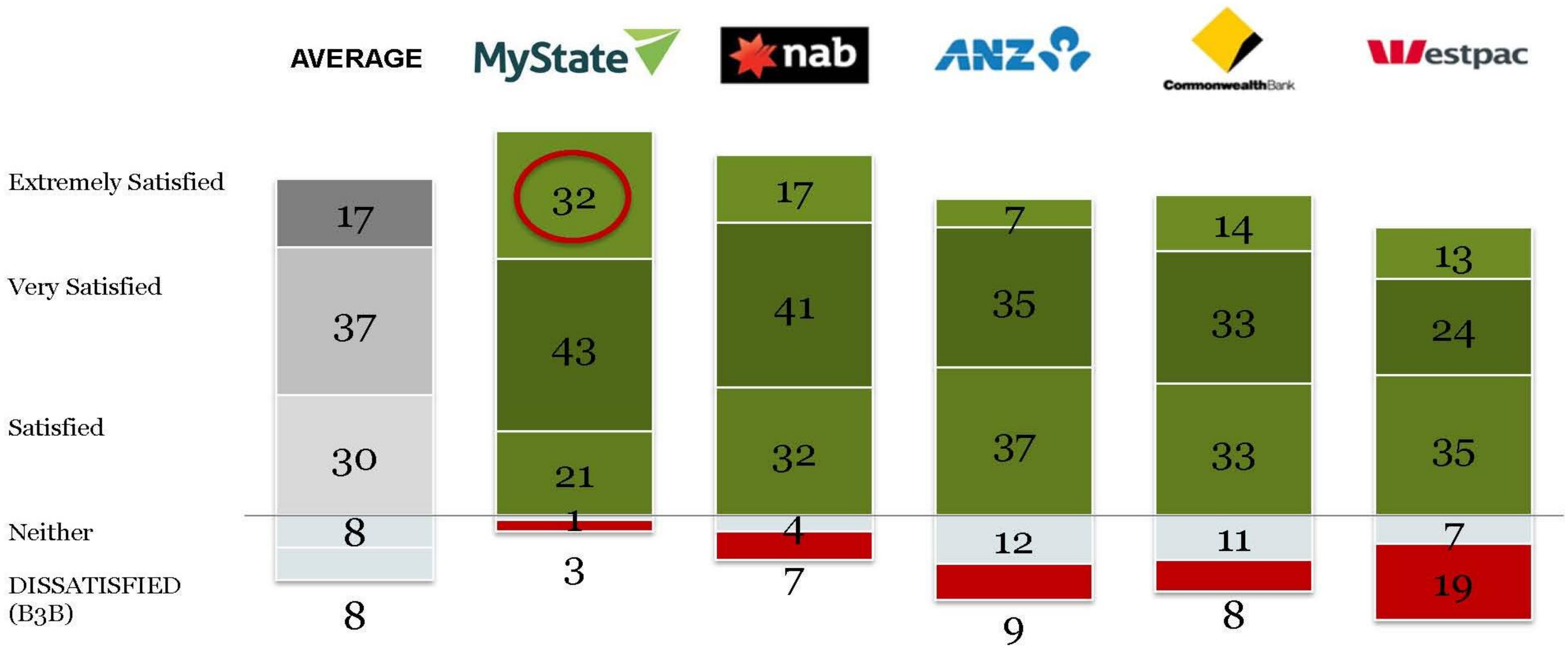
MSF Household Deposits





- System data source: APRA - Licensed bank deposit data published on 30 June 2012;
- Six month growth is to 30 June 2012 annualised.

MSF Customer Satisfaction



- MSF has the most satisfied customers of any FI operating in Tasmania.
- 96% of our customers are either satisfied, very satisfied, or extremely satisfied with 75% ‘very’ or ‘extremely satisfied’

MSF Brand dynamics

Consideration when opening a bank account (based on aware of financial institution)

- MyState second most considered 'brand' in the market behind CBA – brand seen as "secure"
- consumers are far more likely to place their term deposits with MyState than with CBA (42% vs 27%).

The Rock acquisition

- Acquisition completed 1 December 2011
- Acquisition costs of $2.1 million after tax
- Management restructure and new CEO appointed
- Cost synergy benefits are flowing as planned
- Revenue synergy benefits in FY 2013
- Business model re-configuration underway…
    - Greater emphasis on retail sales
    - Term deposit and insurance sales growth above expectations
    - Reduced reliance on broker network

The Rock Financial Performance

- 7 months contribution to NPAT $3.2M
- Excludes Rock initiated merger costs
- Includes contribution from interest management associated with fixed rate book
- NIM stabilised and improving after initial pressure from wholesale funding costs (warehouse utilisation and corporate deposits)
- Rate cuts have placed additional pressure on NIM, whilst liabilities re-price
- Lending growth weaker than expected from date of merger agreement, now improving with increased retail sourced loans

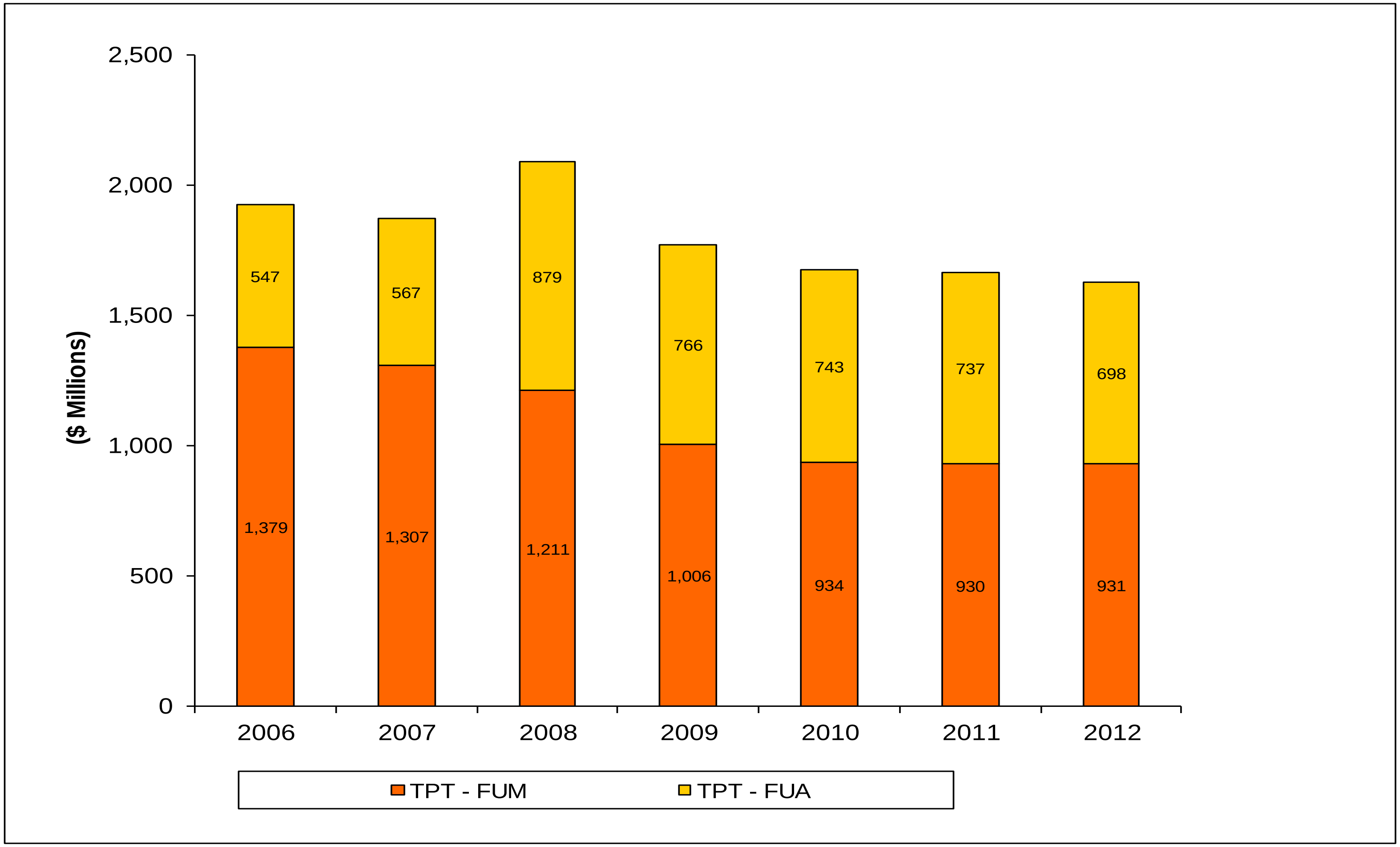
The Rock Synergy Analysis

" The Boards of MyState and The Rock anticipate that the combination of cost and revenue synergies will, on an annualised basis, result in potential pre-tax synergies for the Merged Entity of between $7.5 and $8.5 million per annum, within a three year timeframe(1). MyState expects that the majority of these synergies will be realised from year two onwards post merger". The synergy components include:

- Revenue Benefits – commenced
- Treasury benefits expected through:
  - Funding synergies – work-in-progress
  - Cost savings derived from a proposed ADI licence consolidation – underway
- IT, operations and head office benefits – trapped
- An expanded product range – well progressed
- Distribution channels – well progressed

(1)In order to achieve the synergies referred to, the Merged Entity is expected to incur approximately $3.5m in one-off pre-tax integration costs over the first three years.

TPT Wealth Management FUM & FUA



MYS Group Strategy

- Strong presence in Tasmania
    - Banking and Wealth Management
    - Rural and commercial/SME growth
- ADI presence in Queensland – The Rock
    - Successful integration
    - Rural and commercial/SME commencement
    - Wealth offering required
- Merger or acquisition in Wealth Management
- Further mergers with like minded ADIs
- Intense focus on cost control

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MYS Group Outlook

- **Market conditions remain challenging**

➢ Subdued demand for credit – record consumer savings
➢ Competitive pressures – major banks and regionals
➢ Falling interest rate environment impacts all ADI's

- **Maintain discipline in both asset and liability generation**

➢ Conservative risk appetite –strong focus on credit worthiness
➢ Focus on optimising ROK balance sheet structures

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