

MyState Limited ABN 26 133 623 962
Directors' Report

Directors' Report for the half-year ended 31 December 2014

Your Directors present their report on MyState Limited ABN 133 623 962 (the Company) for the half-year ended 31 December 2014.

Directors and Company Secretary

The Directors and the Company Secretary, who were in office from the beginning of the half-year until the date of this report, unless otherwise indicated, are as follows:

- **Miles L Hampton** BEc(Hons), FCIS, FCPA, FAICD
Chairman and independent non-executive Director.
- **Melos A Sulicich** B.Bus, FAIM, GAICD
Managing Director - Executive Director (appointed 1 July 2014).
- **Peter D Armstrong** BEc(Hons), DipED, Dip FP, CPA, FAICD, FAMI
Independent non-executive Director.
- **Robert L Gordon** BSc, MIFA, MAICD, FAMI
Independent non-executive Director.
- **Colin M Hollingsworth** CPA, MAICD, FAMI
Independent non-executive Director.
- **Ross A Illingworth** BBus [HR], GAICD, CFP
Independent non-executive Director (appointed 17 December 2014).
- **Stephen Lonie** BCom, MBA, FCA, Senior FFin, FAICD, FIMCA
Independent non-executive Director.
- **Ian G Mansbridge** CPA, FCIS, FCIM, FGIA
Independent non-executive Director.
- **Sarah Merridew** BEc, FCA, FAICD
Independent non-executive Director.
- **Scott A Lukianenko** Cert Gov(Prac), Ad Dip BMgmt, Grad Cert BA, GIA (Cert)
Company Secretary.

Review of Operations

The half-year results represent a sound performance for the MyState Group (the Group) with Net Profit after Tax (NPAT) for the period at \$14.9 million, steady on the prior corresponding period.

The Group has continued to deliver strong loan book momentum, following a strong finish to the 2014 financial year. The increase in the loan book reached record levels in the first half of 2015. The solid improvement in lending operations, driven by home loan growth (1.8 times system), will provide the business with solid foundations for building future revenue and profitability growth. A shift in channel and sales focus has contributed to a large share of loan growth in mainland Australia. This diversification is an outcome of a deliberate strategy to diversify the asset base more broadly while retaining the strong position in the Group's home markets of Tasmania and Central Queensland. As a result of these strategies the proportion of exposures outside of Tasmania grew to 35.3% up from 33.2% in June 2014.

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Across the Group, Net Interest Margin (NIM) reduced from 2.42% to 2.36% with competition for home loan business remaining fierce. Declines in the Banking Business' higher yielding portfolio also affected margins.

The Group continues to focus on enhanced sales strategies through customer retention, improved products, as well as superior service delivery and turnaround times. This is coupled with a focus on achieving sustainable growth through lower risk lending (less than 80% LVR) and strong credit management.

Non-interest income in the Banking operations improved slightly, driven by improved commissions and ancillary product income offset by a reduction in transaction fee income.

The Group's cost-to-income ratio declined slightly to 64.5%, from 65.1% in the prior comparative period.

The Group continues to benefit from low credit charges, reflecting the continuing high credit quality of the loan book and low arrears profile.

Total Funds Under Management (FUM) increased by \$10.1 million for the 6 months ending December 2014, closing the period at \$1.0 billion. The Group's Wealth Management operations continue to provide consistent returns to the Group in a challenging low interest rate environment with strong competition.

The Group is pleased to see a modest recovery in economic conditions in Tasmania and expects to achieve continued success with a significant focus on diversified national growth in business particularly through the third party broker channel.

Subsequent Events

There were no matters or circumstances that have arisen since the end of the period which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future periods.

MyState Limited ABN 26 133 623 962
Directors' Report

Auditor's Independence Declaration to the Directors

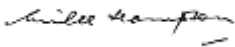
In relation to our review of the financial report of MyState Limited and its controlled entities for the half-year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



D J McCarthy
Partner
Wise Lord & Ferguson
Hobart

Date 19th February 2015

Signed in accordance with a resolution of the Directors.



M L Hampton
Chairman



M A Sulicich
Managing Director

Date 19th February 2015
Hobart



Financial Statements

For the half year ended 31 December 2014

MyState Limited
Consolidated Income Statement
for the half year ended 31 December 2014

		31 Dec 2014	31 Dec 2013
	Notes	\$'000	\$'000
Interest income	2	87,900	91,296
Interest expense	2	(45,871)	(48,428)
Net Interest income		<u>42,029</u>	<u>42,868</u>
Other revenue	3	18,322	17,655
Other expenses	4	<u>(38,897)</u>	<u>(39,391)</u>
Profit before bad and doubtful debts and income tax		21,454	21,132
Less bad and doubtful debts (net of recoveries)	9 (b)	(618)	(327)
Profit before income tax expense	5	20,836	20,805
Income tax expense		5,978	5,955
Net profit after income tax		<u>14,858</u>	<u>14,850</u>
Basic earnings per share (cents per share)	8	17.02	17.04
Diluted earnings per share (cents per share)	8	17.02	17.04

MyState Limited
Consolidated Statement of Comprehensive Income
for the half year ended 31 December 2014

	31 Dec 2014	31 Dec 2013
Notes	\$'000	\$'000
Net profit after income tax	14,858	14,850
Other comprehensive income / (expense):		
Items that may be reclassified subsequently to profit or loss:		
Fair value hedge movements	(339)	707
Net fair value gains (losses) on available for sale financial assets	546	(500)
Income tax effect	(62)	(62)
Total other comprehensive income for the period	145	145
Total comprehensive income for the period	15,003	14,995
Total comprehensive income for the period is attributable to:		
Ordinary equity holders of MyState Limited	15,003	14,995
Total comprehensive income for the period	15,003	14,995

MyState Limited
Consolidated Statement of Financial Position
as at 31 December 2014

		31 Dec 2014	30 Jun 2014
	Notes	\$'000	\$'000
ASSETS			
Cash and liquid assets	12	88,391	57,958
Due from other financial institutions		24,524	23,852
Available for sale financial assets		323,322	321,616
Loans at amortised cost	9 (a)	3,206,314	3,049,630
Assets classified as held for sale		-	2,125
Other investments		5,020	5,020
Property, plant and equipment		12,118	13,534
Tax assets		3,859	4,034
Intangible assets and goodwill		78,687	78,117
TOTAL ASSETS		3,742,235	3,555,886
LIABILITIES			
Due to other financial institutions		34,277	43,388
Deposits		2,296,308	2,226,130
Other borrowings		1,111,218	988,942
Derivatives		339	-
Tax liabilities		6,476	6,183
Provisions		5,462	5,594
TOTAL LIABILITIES		3,454,080	3,270,237
NET ASSETS		288,155	285,649
EQUITY			
Share capital	11	132,670	132,566
Retained earnings		152,525	150,327
Asset revaluation reserve		2,340	2,340
Employee equity benefits reserve		540	481
Hedging reserve		(237)	-
Net unrealised gains reserve		317	(65)
TOTAL EQUITY		288,155	285,649

MyState Limited
Consolidated Statement of Changes in Equity
for the half year ended 31 December 2014

	Share Capital	Retained Earnings	Asset Revaluation Reserve	Employee Equity Benefits Reserve	Hedging Reserve	Net Unrealised Gains Reserve	Total Attributable to owners of the parent
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
At 1 July 2013	132,242	145,173	2,340	500	(896)	350	279,709
Net profit after income tax	-	14,850	-	-	-	-	14,850
Other comprehensive income/ (expense) (net of tax)	-	-	-	-	495	(350)	145
Total comprehensive income for the period	-	14,850	-	-	495	(350)	14,995
Equity issued under employee share scheme	113	-	-	-	-	-	113
Dividends paid	-	(12,205)	-	-	-	-	(12,205)
At 31 December 2013	132,355	147,818	2,340	500	(401)	-	282,612
At 1 July 2014	132,566	150,327	2,340	481	-	(65)	285,649
Net profit after income tax	-	14,858	-	-	-	-	14,858
Other comprehensive income/ (expense) (net of tax)	-	-	-	-	(237)	382	145
Total comprehensive income for the period	-	14,858	-	-	(237)	382	15,003
Equity issued under employee share scheme	104	-	-	-	-	-	104
Share based payment expense recognised	-	-	-	59	-	-	59
Dividends paid	-	(12,660)	-	-	-	-	(12,660)
At 31 December 2014	132,670	152,525	2,340	540	(237)	317	288,155

The accompanying notes form part of these financial statements.

MyState Limited
Consolidated Statement of Cash Flows
for the half year ended 31 December 2014

	Notes	31 Dec 2014 \$' 000	31 Dec 2013 \$' 000
Cash flows from operating activities			
Interest received		88,811	91,520
Interest paid		(44,455)	(53,369)
Fees and commissions received		15,551	19,523
Other non-interest income received		450	300
Payments to suppliers and employees		(47,469)	(39,465)
Dividends received		366	418
Income tax paid		(5,181)	(3,353)
Net cash flows from operating activities		8,073	15,574
Cash flows from investing activities			
Net decrease / (increase) in loans to customers		(158,894)	39,348
Net decrease / (increase) in amounts due from other financial institution		1,778	(10,640)
Purchase of intangible assets		(1,772)	(3,928)
Disposal of property, plant and equipment		2,491	3,481
Purchase of property, plant and equipment		(133)	(895)
Net cash flows from / (used in) investing activities		(156,530)	27,366
Cash flows from financing activities			
Net (decrease) / increase in deposits		70,178	(6,505)
Net increase / (decrease) in amounts due to other financial institutions		121,269	(17,168)
Employee share issue		103	113
Dividends paid	7	(12,660)	(12,205)
Net cash flows (used in) / from financing activities		178,890	(35,765)
Net increase / (decrease) in cash held		30,433	7,175
Cash at beginning of the period		57,958	66,834
Closing cash carried forward	12	88,391	74,009

1 Summary of significant accounting policies

1.1 Statement of compliance

The half year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

1.2 Basis of preparation

The condensed consolidated financial statements comprise of MyState Limited (the 'Company') and the entities it controlled during the half year. They have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. The financial report has been presented in Australian dollars.

MyState Limited is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998 and, in accordance with that Class Order, amounts in the Directors' Report and the half year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

For the purpose of these financial statements, the following abbreviations have been applied:

Consolidated entity	MyState Limited and the entities it controlled at the end of, or during the period;
TPT	Tasmanian Perpetual Trustees Limited;
Period	the half year ended 31 December 2014; and
ASIC	Australian Securities and Investments Commission.

The comparative information disclosed in the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows is for the six months ended 31 December 2013. The comparative information disclosed in the Consolidated Statement of Financial Position is as at 30 June 2014.

Under s. 334(5) of the Corporations Act 2001, the Directors have elected to apply Accounting Standard AASB 9 'Financial Instruments' for the financial year beginning 1 July 2014, even though the standard is not required to be applied until annual reporting periods beginning on or after 1 January 2017. The early adoption of this standard has not resulted in any significant changes to the disclosures that would otherwise have been made in these financial statements.

The remaining accounting policies and methods of compilation are the same as those accounting policies and methods of compilation adopted in the most recent financial report for the year ended 30 June 2014.

MyState Limited
Notes to the Consolidated Financial Statements
for the half year ended 31 December 2014

	31 Dec 2014 \$ '000	31 Dec 2013 \$ '000
2 Interest income and interest expense		
Interest income		
Loans and advances	81,513	83,126
Cash flow hedges	-	919
Investment securities	6,387	7,251
Total interest income	87,900	91,296
Interest expense		
Interest on deposits	31,706	33,070
Interest due to other financial institutions	14,165	15,358
Total interest expense	45,871	48,428
3 Other income		
Banking operating income		
Loan fees	1,693	1,597
Transaction fees	3,712	4,103
Commissions	2,693	2,395
Other	850	293
Total income from Banking activities	8,948	8,388
Wealth Management operating income		
Funds management income	4,703	4,578
Fees and commissions	4,305	4,271
Total Wealth Management operating income	9,008	8,849
Income from other activities		
Dividends and distributions	366	418
Total other income	18,322	17,655

MyState Limited
Notes to the Consolidated Financial Statements
for the half year ended 31 December 2014

	31 Dec 2014 \$ '000	31 Dec 2013 \$ '000
4 Expenses		
Personnel costs	19,085	18,601
Marketing costs	1,625	1,607
Governance costs	1,574	1,610
Technology costs	4,224	4,097
Occupancy costs	4,340	3,930
Administration costs	8,049	9,546
Total expenses	38,897	39,391

5 Profit before income tax expense

Profit before income tax expense includes the following specific revenues and expenses:

(i) Revenue

Profit on disposal of property, plant & equipment	163	-
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(ii) Expenses

Termination payments	583	225
Depreciation expense	1,305	1,403
Amortisation expense	1,203	810

MyState Limited
Notes to the Consolidated Financial Statements
for the half year ended 31 December 2014

6 Segment information

The Group has identified two operating divisions and a corporate division, which are its reportable segments. These divisions offer different products and services and are managed separately. The Group's management committees review internal management reports for each of these divisions at least monthly. Performance is measured based on profit after income tax in accordance with the Group's accounting policies.

Reportable Segment	Operations
Banking Division	The Banking Division consists of one Bank and one authorised deposit-taking institution. Their product offerings include: lending, encompassing home loans, personal, overdraft, line of credit and commercial products; transactional savings accounts and fixed term deposits; and insurance products. It delivers these products and services through its branch network, as well as through the mortgage broker channel.
Wealth Management Division	The Wealth Management Division is a provider of funds management, financial planning and trustee services. It operates predominantly within Tasmania. It holds over \$1 billion in funds under management on behalf of personal, business and wholesale investors, as the responsible entity for 10 managed investment schemes. The Wealth Management Division is conducted by TPT. TPT is a trustee company licensed within the meaning of Chapter 5D of the <i>Corporations Act 2001</i> and is the only private trustee company with significant operations in Tasmania.
Corporate and Consolidation	The corporate cost centre is responsible for the governance of the Group. The corporate cost centre charges the operating divisions for costs it has incurred on a cost recovery basis. This division is also where eliminations are shown between the Banking Division and the Wealth Management Division.

	Banking \$ '000	Wealth Management \$ '000	Corporate and consolidation adjustment \$ '000	Total \$ '000
Half year ended 31 December 2014				
Interest revenue	87,667	127	106	87,900
Interest expense	45,871	-	-	45,871
Other income	9,578	9,008	(264)	18,322
Income tax expense	5,067	908	3	5,978
Segment net profit after income tax	12,783	2,078	(3)	14,858
Segment assets	3,662,895	28,679	50,661	3,742,235
Segment liabilities	3,450,300	2,720	1,060	3,454,080
Half year ended 31 December 2013				
Interest revenue	90,166	119	1,011	91,296
Interest expense	48,428	-	-	48,428
Other income	9,205	8,849	(399)	17,655
Income tax expense	4,762	914	279	5,955
Segment net profit after income tax	12,081	2,130	639	14,850
Balances as at 30 June 2014				
Segment assets	3,477,100	29,661	49,125	3,555,886
Segment liabilities	3,267,275	3,280	(318)	3,270,237

MyState Limited
Notes to the Consolidated Financial Statements
for the half year ended 31 December 2014

	31 Dec 2014	31 Dec 2013
	\$ '000	\$ '000
7 Dividends		
a) Dividends paid		
2014 Final dividend paid: 14.5 cents per share (2013: 14 cents per share)	12,660	12,205

The dividends paid during the period were fully franked at the 30 per cent corporate tax rate.

	31 Dec 2014	31 Dec 2013
	cents	cents
8 Earnings per share		
Basic earnings per share	17.02	17.04
Diluted earnings per share	17.02	17.04

The following information reflects the income and share data used in the calculation of basic and diluted earnings per share:

	31 Dec 2014	31 Dec 2013
	\$ '000	\$ '000
Net Profit	14,858	14,850
	Number	Number
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share:	87,276,664	87,169,357

MyState Limited
Notes to the Consolidated Financial Statements
for the half year ended 31 December 2014

	31 Dec 2014 \$' 000	30 Jun 2014 \$' 000
9 Loans held at amortised cost		
(a) Classification		
Residential	3,006,321	2,831,853
Personal	154,007	168,050
Commercial	47,081	50,553
Total loans	3,207,409	3,050,456
Specific provision for impairment	(180)	(55)
Collective provision for impairment	(915)	(771)
Total Loans held at amortised cost	3,206,314	3,049,630
(b) Provision for impairment		
Specific provision for impairment		
Opening balance	55	-
Charge / (credit) against profit	125	55
Closing balance of Specific provision for impairment	180	55
Collective provision for impairment		
Opening balance	771	650
Charge / (credit) against profit	144	200
Write-off of previously provisioned facilities	-	(79)
Closing balance of Collective provision for impairment	915	771
	31 Dec 2014	31 Dec 2013
	\$ '000	\$ '000
Charge to profit for impairment on loans and advances at amortised cost		
- Increase / (decrease) in Specific provision for impairment	125	-
- Increase / (decrease) in Collective provision for impairment	144	49
- Bad debts recovered	(652)	(878)
- Bad debts written off directly	1,001	1,156
Total impairment on loans and advances at amortised cost	618	327

There are no loans that individually represent 10% or more of shareholders' equity. The banking division's customers are predominantly in the States of Tasmania, Queensland, New South Wales and Victoria. The majority of Wealth Management loans are advanced to customers in the State of Tasmania.

10 Fair value of financial instruments

Classification of financial instruments

The following financial instruments are carried at fair value and, therefore, their carrying value approximates their fair value:

- available for sale financial assets.

Cash and liquid assets, amounts due to financial institutions and amounts due from financial institutions are carried at cost, as these are short term assets, their cost is considered to approximate their fair value.

The following financial assets and liabilities are carried at amortised cost. An estimate of their fair value is as follows:

- Loans and advances at amortised cost;
- Other investments;
- Deposits; and

The aggregate net fair values of financial assets and financial liabilities which are carried at amortised cost is:

	31 Dec 2014		30 Jun 2014	
	Carrying value \$ '000	Net fair value \$ '000	Carrying value \$ '000	Net fair value \$ '000
Financial assets				
Loans and advances at amortised cost	3,206,314	3,210,765	3,050,873	3,144,546
Other investments	5,020	5,020	5,020	5,020
Total financial assets	3,211,334	3,215,785	3,055,893	3,149,566
Financial liabilities				
Deposits	2,296,308	2,307,145	2,226,130	2,310,031
Other borrowings	1,111,218	1,111,218	988,942	988,942
Total financial liabilities	3,407,526	3,418,363	3,215,072	3,298,973

Fair value hierarchy

The fair value measurements are considered to fall within Level 2 of the fair value hierarchy, as the principal inputs into the calculations are observable current market interest rates and yield curves.

MyState Limited
Notes to the Consolidated Financial Statements
for the half year ended 31 December 2014

	31 Dec 2014	30 Jun 2014
	Amount	Amount
	\$ '000	\$ '000
11 Share Capital		
Issued and paid up capital		
Ordinary shares fully paid	132,670	132,566
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Movements in share capital	31 December 2014	
	Number	Amount
	of shares	\$ '000
Ordinary Shares		
Opening balance as at 1 July 2014	87,261,995	132,566
Shares issued pursuant to the Employee share scheme of the consolidated entity	21,422	104
Closing balance as at 31 December 2014	87,283,417	132,670
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	31 December 2013	
	Number	Amount
	of shares	\$ '000
Ordinary Shares		
Opening balance as at 1 July 2013	87,153,047	132,242
Shares issued pursuant to the Employee share scheme of the consolidated entity	24,398	113
Closing balance as at 31 December 2013	87,177,445	132,355
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MyState Limited
Notes to the Consolidated Financial Statements
for the half year ended 31 December 2014

	31 Dec 2014 \$ '000	31 Dec 2013 \$ '000
12 Statement of Cash Flows		
For the purpose of the Statement of Cash Flows, cash and liquid assets includes:		
Notes, coins and cash at bank	76,637	60,685
Other short term liquid assets	11,754	13,324
Total cash and liquid assets	88,391	74,009

13 Contingent liabilities and expenditure commitments

(a) Loans approved but not advanced	52,330	41,712
(b) Undrawn continuing lines of credit	77,402	84,946
(c) Performance guarantees	1,464	1,742

There have been no material changes in contingent liabilities or expenditure commitments since the end of the last reporting period ended 30 June 2014.

14 Events subsequent to balance date

There were no matters or circumstances that have arisen since the end of the period which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future periods.

MyState Limited
Directors' Declaration
For the half year ended 31 December 2014

In accordance with a resolution of the Directors of MyState Limited, we state that:

In the opinion of the Directors:

- (a) The financial statements and notes of the consolidated entity set out on pages 1 to 14 are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the period ended on that date; and
 - (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) There are reasonable grounds to believe that MyState Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Board



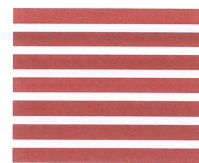
M Hampton
Chairman



C M Hollingsworth
Director

Hobart

Dated this 19 February 2015.



Wise Lord & Ferguson
Chartered Accountants
advice to advantage

To the members of MyState Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of MyState Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of MyState Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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Partners: Harvey Gibson, Danny McCarthy, Douglas Thomson, Joanne Doyle, Stuart Clutterbuck,
Ian Wheeler, Dean Johnson, Marg Marshall, Paul Lyons, Alicia Leis, Nick Carter
Managers: Melanie Richardson, Simon Jones, Trent Queen, Rachel Burns, Nathan Brereton,
Melissa Johnson, Donna Powell, Rebecca Meredith, Naomi Norman
Consultant: Peter Beven

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of MyState Limited is not in accordance with the *Corporations Act 2001*, including:

- a) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DJ McCarthy
Partner
Wise Lord & Ferguson

Date: 19.02.2015