

BIDDER'S STATEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

OFFER by
Wide Bay Australia Ltd
ABN 40 087 652 060

to purchase ALL
of YOUR shares in
Mackay Permanent
Building Society Ltd
ABN 34 087 652 033

If you are in any doubt as to how to deal with this document, you should consult your legal, financial or other professional adviser as soon as possible.

Please call 1800 188 768 (callers in Australia) or +61 7 4150 4036 (callers outside Australia) if you require assistance with your acceptance of this document.

The Offer is dated [21 November 2007] - and will close at 7.00pm (AEDT) on [24 December 2007] unless the Offer is extended.

If you accept the offer, you have the choice of receiving

1 » **0.80 Wide Bay Shares plus \$1.00 cash** or

2 » **\$9.40 cash**

in exchange for each of your MPBS Shares

 **Investec**
financial adviser

MALLESONS STEPHEN JAQUES
legal adviser


wide bay
AUSTRALIA LTD
banking your way

real people real smiles real service

Key dates

Announcement of Offer	29 October 2007
Bidder's Statement lodged with ASIC	15 November 2007
Date of Offer	[21 November 2007]
Close of Offer Period (unless extended)	[24 December 2007]

Bidder's Statement

Important notice

This Third Replacement Bidder's Statement is dated 15 November 2007 and was lodged with ASIC and the ASX on that date. This Third Replacement Bidder's Statement replaces the second replacement bidder's statement lodged with ASIC on 6 November 2007, which replaced the replacement bidder's statement lodged with ASIC on 2 November 2007, which replaced the original bidder's statement lodged with ASIC on 29 October 2007. References to "Bidder's Statement" are to this Third Replacement Bidder's Statement.

This Bidder's Statement is given by Wide Bay under Part 6.5 of Chapter 6 of the Corporations Act and in compliance with the requirements of sections 636 and 637 of the Corporations Act in relation to the Offer to acquire your MPBS Shares.

This Bidder's Statement includes an Offer dated [21 November 2007] on the terms set out in Appendices 1 and 2 of this Bidder's Statement.

ASIC takes no responsibility for the content of this Bidder's Statement.

Defined terms

A number of terms used in this Bidder's Statement are defined in the Glossary which is in Section 10. Otherwise, unless the contrary intention appears, terms in this Bidder's Statement have the same meaning as in the Corporations Act.

Investment decisions

This Bidder's Statement does not take into consideration the individual investment objectives, financial situation or particular needs of each MPBS Shareholder. You may wish to seek independent financial and taxation advice before deciding whether or not to accept the Offer for your MPBS Shares.

Forward looking statements

This Bidder's Statement includes information which is historical in character.

This Bidder's Statement also contains forward looking statements. You should consider that as such statements relate to future matters they are subject to various inherent risks and uncertainties. Those risks and uncertainties are described in Section 7 of this Bidder's Statement. Actual events or results may differ materially from the events, performance or

results expressed or implied by those forward looking statements. The past performance of Wide Bay and MPBS is no guarantee of future performance. None of Wide Bay, the Wide Bay Directors or any other person named with their consent in this Bidder's Statement can assure you that forecast or implied results will be achieved.

How to accept

Acceptances of the Offer must be received before the close of the Offer Period. There are different ways to accept the Offer depending on the nature and type of your holding of MPBS Shares.

For CHESS Holdings

Please **instruct** your stockbroker or other Controlling Participant to initiate acceptance of the Offer on your behalf in sufficient time for the Offer to be accepted before the end of the Offer Period.

For Issuer Sponsored Holdings

Please **complete and sign** the enclosed Acceptance Form in accordance with the instructions on that form and within this booklet and return it to:

BY MAIL (a reply paid envelope is enclosed)

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne VIC 8060

Enquiries

If you are in any doubt as to how to deal with this booklet, you should consult your broker or your legal, financial or other professional adviser.

If you have any questions about this Offer or how to accept it, please call the shareholder information line on 1800 188 768 (toll free) from within Australia or on + 61 7 4150 4036 from outside Australia.

Privacy statement

Wide Bay has collected your information from the MPBS register of members for the purpose of making this Offer and, if accepted, administering your holding of MPBS Shares. The type of information Wide Bay has collected about you includes your name, contact details and information on your shareholding in MPBS. Without this information, Wide Bay will be hindered in its ability to carry out the Offer. The Corporations Act requires the name and address of shareholders to be held in a public register. Your information may be disclosed on a confidential basis to Wide Bay's related bodies, corporate and external service providers (such as the Registry, print and mail services providers), and may be required to be disclosed to regulators such as ASIC. If you would like details of information about you held by Wide Bay, please contact us at the address shown below. Wide Bay's privacy policy is available at www.widebayaust.com.au/02_about_us/about_us_security_privacy.htm.

The registered address of Wide Bay is:

Level 5, Wide Bay Australia House,
16-20 Barolin Street
Bundaberg, Queensland 4670

Offers outside Australia

If you are (or you are acting on behalf of) a citizen or resident of a jurisdiction other than Australia, its external territories or New Zealand, or your address shown in MPBS's register of members is a place outside Australia, its external territories or New Zealand, then you are a Foreign Shareholder.

If you are a Foreign Shareholder, then unless Wide Bay otherwise determines that:

- (a) it is lawful and not unduly onerous and not unduly impracticable to make the Offer to you and to issue you with Wide Bay Shares on acceptance of the Offer; and
- (b) it is not unlawful for you to accept the Offer by the law of the relevant place outside Australia, its external territories or New Zealand,

then you are an Ineligible Foreign Shareholder, and you will not be entitled to receive Wide Bay Shares as Consideration for your MPBS Shares.

If you are an Ineligible Foreign Shareholder and you accept the Offer and elect the Shares Alternative, you will receive a cash amount calculated in accordance with Section 9.3 and Clauses 2.2 and 5.2 of Appendix 1.

Further details associated with the entitlement of a Foreign Shareholder have been set out in Section 9.3.

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Letter from the Wide Bay Board

29 October 2007

Dear MPBS Shareholder,

On behalf of Wide Bay, it is with pleasure that we extend this Offer to acquire all of your MPBS Shares.

Under our Offer, you have the choice of either:

- the Shares Alternative, in which case you would receive 0.80 Wide Bay Shares plus \$1.00 cash; or
- the Cash Alternative, in which case you would receive \$9.40 cash,

in exchange for each of your MPBS Shares (subject to Wide Bay deducting the amount of any dividend paid by MPBS).

Based on our closing price of \$12.80 on 26 October 2007, the Wide Bay Shares Alternative values each of your MPBS Shares at \$11.24. This is a substantial premium of:

- 70.82% to the lowest price at which MPBS Shares have traded in 2007;¹
- 21.51% to the sum of the BOQ Cash Alternative and the \$1.00 MPBS dividend;
- 5.54% to the sum of the BOQ Shares Alternative² and the \$1.00 MPBS dividend; and
- 4.36% to the highest price at which MPBS Shares have traded in 2007.³

Our Shares Alternative is also currently 19.57%⁴ higher than our Cash Alternative. Accordingly, if you wish to receive cash under our Offer, you may be better off by accepting our Shares Alternative and then selling your new Wide Bay Shares on the ASX.

As detailed in the BOQ Scheme Booklet, the Independent Expert values MPBS at \$8.34 to \$9.04 per share. Wide Bay's Shares Alternative, in particular, sits well above this range.⁵

Other reasons why we would encourage you to join us as shareholders in Wide Bay include the following:

- ✓ Wide Bay has been a very good investment delivering cumulative average share price growth of 21.30% per annum over the last two years;⁶
- ✓ Wide Bay has historically exhibited a superior dividend yield than both MPBS and BOQ, delivering a dividend yield of 4.65% in the 2007 financial year, compared with MPBS's dividend yield of 3.48% and BOQ's dividend yield of 3.82%;⁷

¹ The lowest price at which MPBS Shares have traded in 2007 up to 26 October 2007 was \$6.58.

² Based on BOQ's closing share price of \$19.30 at 26 October 2007.

³ The highest price at which MPBS Shares have traded in 2007 up to 26 October 2007 was \$10.77.

⁴ Based on the Wide Bay closing share price of \$12.80 on 26 October 2007.

⁵ Based on the Wide Bay closing share price of \$12.80 on 26 October 2007.

⁶ Up to 26 October 2007

- ✓ you would prefer to see ownership and control of MPBS remain largely in the hands of people who live and work in Central and North Queensland; and
- ✓ you believe Wide Bay will provide a greater contribution to the local economy, community and all stakeholders.

We are proud to say that Wide Bay has managed to achieve its success without losing sight of its origins and the philosophies that underpinned its creation. We are firmly and proudly anchored in Central and North Queensland and have a strong culture of customer service and investing in the communities in which we operate.

In fact, it is these things that we have in common with MPBS that prompted us to make this takeover bid for MPBS.

We believe the combination of Wide Bay and MPBS is compelling and encourage you to either join us as shareholders in the combined group or to accept our Cash Alternative.

We encourage you to read this Bidder's Statement in its entirety and seek financial advice before making any decision.

To accept our Offer, please complete the enclosed Acceptance Form and return it in the envelope provided.

Yours sincerely,



John Pressler, Chairman



Ronald Hancock, Managing Director



Frances McLeod, Executive Director



John Fell, Non-executive Director



Peter Sawyer, Non-executive Director

⁷ Dividend yield has been calculated by dividing total dividends paid during the FY2007 year by the volume weighted average share price of each company over the FY2007 year.

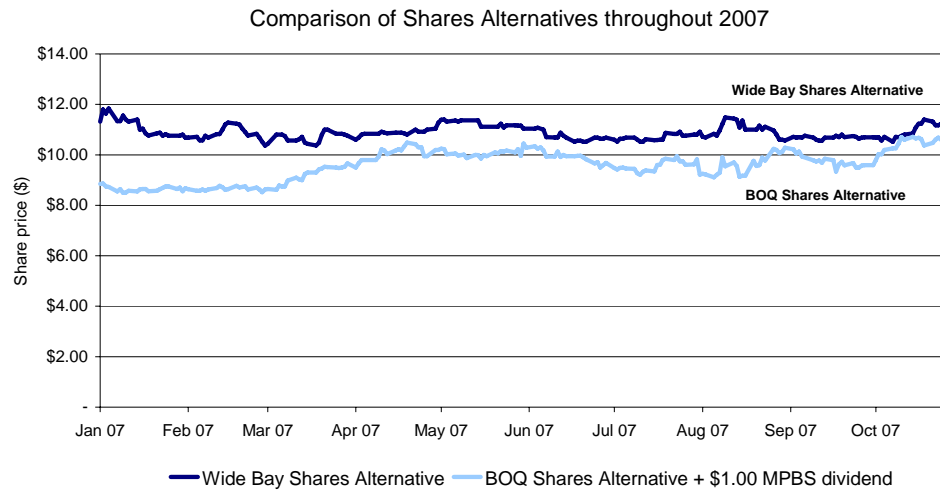
Why you should accept Wide Bay's Offer

1. The Wide Bay Shares Alternative is higher than the BOQ Shares Alternative⁸
2. The Wide Bay Cash Alternative is higher than the BOQ Cash Alternative
3. Wide Bay Shares are an attractive investment:
 - i) Wide Bay has a history of steadily increasing dividends
 - ii) Wide Bay has a superior dividend yield to both BOQ and MPBS
 - iii) MPBS Shareholders would have earned significantly more in dividends from Wide Bay than from BOQ or MPBS in FY2007
 - iv) Wide Bay Shareholders have enjoyed significant share price growth
4. Other reasons why you should accept Wide Bay's Offer
 - i) Higher than Independent Expert's valuation
 - ii) Risk of the MPBS share price falling
 - iii) No brokerage costs on the sale of your MPBS Shares under the Offer

⁸ This analysis excludes the value of any franking credits available to MPBS Shareholders.

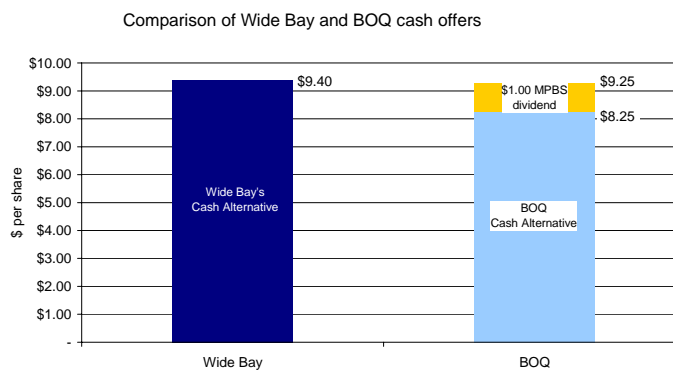
Section 1 Why you should accept Wide Bay's Offer

1.1 The Wide Bay Shares Alternative is higher than the BOQ Shares Alternative⁹



Source: Information disclosed in the BOQ Scheme Booklet

1.2 The Wide Bay Cash Alternative is higher than the BOQ Cash Alternative¹⁰



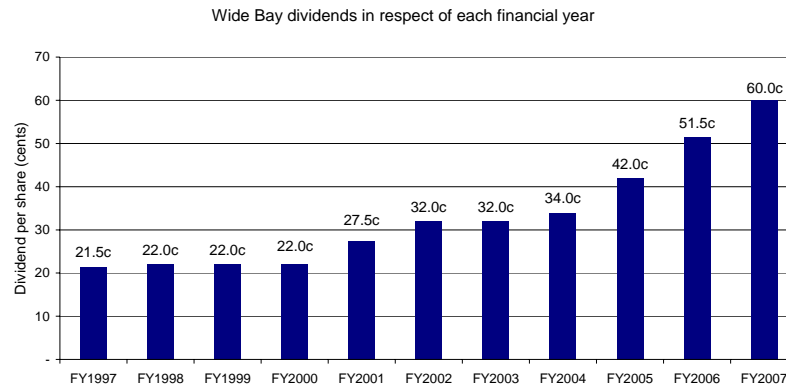
Source: Wide Bay, information disclosed in the BOQ Scheme Booklet

⁹ From 2 January 2007 to the close of trading on 26 October 2007. This analysis excludes the value of any franking credits available to MPBS Shareholders.

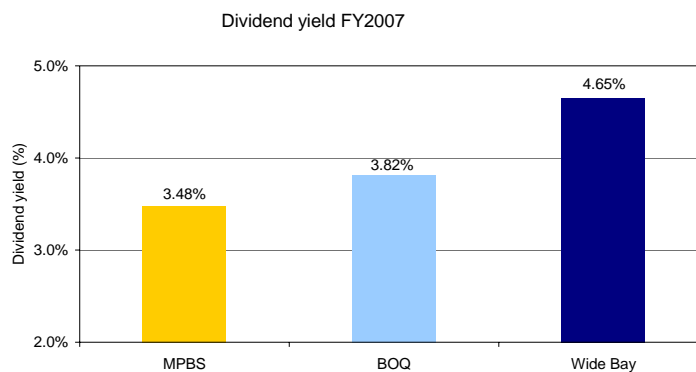
¹⁰ This analysis excludes the value of any franking credits available to MPBS Shareholders.

1.3 Wide Bay Shares are an attractive investment

i) Wide Bay has a history of steadily increasing dividends

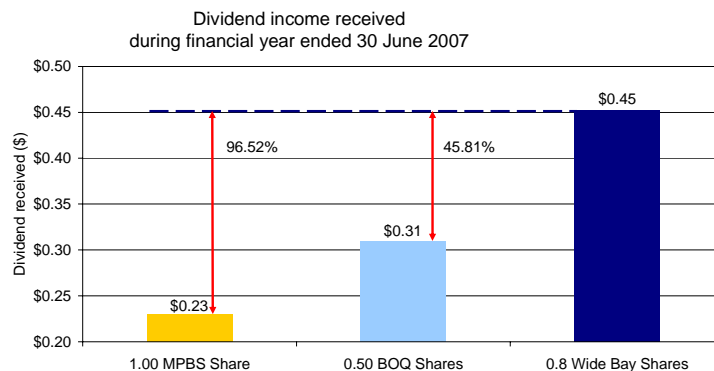


ii) Wide Bay has a superior dividend yield¹¹ to both BOQ and MPBS



Source: IRESS Market Technology, 2007 Annual Reports

iii) MPBS Shareholders would have earned significantly more in dividends from Wide Bay than from BOQ or MPBS in FY2007¹²



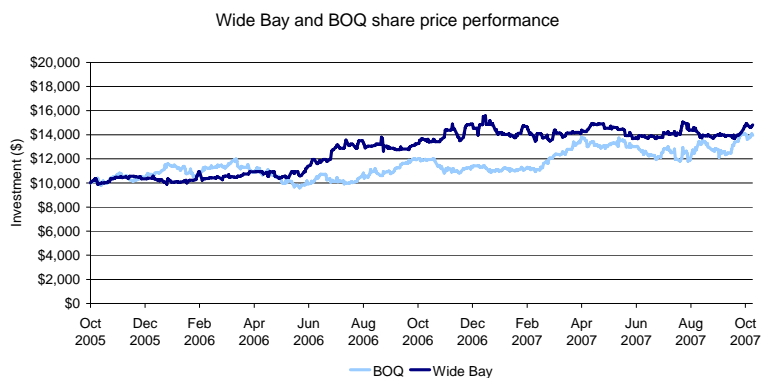
Source: IRESS Market Technology, information disclosed in the BOQ Scheme Booklet

¹¹ Dividend yield has been calculated by dividing total dividends paid during the year by the volume weighted average share price of each company over the year.

¹² The dividends shown represent the dividend income that would have been received by MPBS Shareholders in FY2007 had they held 1.00 MPBS Share, 0.50 BOQ Shares or 0.80 Wide Bay Shares.

iv) Wide Bay Shareholders have enjoyed significant share price growth

\$10,000 invested in Wide Bay Shares two years ago on 27 October 2005 would now be worth \$14,713 and you would have received \$1,282 in dividends. In comparison, \$10,000 invested in BOQ shares on the same date would now be worth \$14,026 and you would have received \$829 in dividends.



Source: IRESS Market Technology

\$10,000 invested in Wide Bay Shares one year ago on 27 October 2006 would now be worth \$10,774. In comparison, \$10,000 invested in BOQ shares on the same date would now be worth \$11,754. During this time you would have received \$505 in dividends from Wide Bay and \$380 from BOQ.

1.4 Other reasons why you should accept Wide Bay's Offer

i) Higher than Independent Expert's valuation

The Independent Expert's Report included in the BOQ Scheme Booklet concluded that MPBS is worth between \$8.34 and \$9.04 per MPBS Share. Like the BOQ Cash Alternative and the BOQ Shares Alternative, Wide Bay's Cash Alternative and Shares Alternative (as at 26 October 2007, the last trading day before announcement of the Offer) exceed this range.

ii) Risk of the MPBS share price falling

In the event that Wide Bay's Offer closes and the BOQ Proposal is unsuccessful, it is possible that the price of MPBS Shares on the ASX will fall unless an alternative proposal emerges.

iii) No brokerage costs on the sale of your MPBS Shares under the Offer

MPBS Shareholders will not be required to pay any brokerage or other costs in connection with the disposal of their MPBS Shares under the Offer (unless you are an Ineligible Foreign Shareholder and elect to receive the Shares Alternative, in which case the proceeds you will receive will be net of sale costs including brokerage). Foreign Shareholders should refer to Section 2.2 of Appendix 1.

Section 2 Summary of Wide Bay's Offer

2.1 Offer Consideration

Wide Bay offers to acquire all of your MPBS Shares on the Offer Terms set out in Appendices 1 and 2 to this Bidder's Statement. Following acceptance of the Offer, MPBS Shareholders will be entitled to either 0.80 Wide Bay Shares plus \$1.00 cash, or \$9.40 cash for each MPBS Share they hold (subject to Wide Bay deducting the amount of any dividend paid by MPBS). This Consideration will remain the same regardless of whether the Wide Bay share price increases or decreases during the Offer Period provided Wide Bay does not alter the Offer price during this period.

Based on Wide Bay's share price as at 26 October 2007 (the last trading day before announcement of the Offer), the value of Wide Bay's Shares Alternative was \$11.24 per MPBS Share.

Depending on movements in Wide Bay's share price, the value of its Shares Alternative will rise and fall over time.

2.2 The Offer

Upon acceptance of the Offer, depending on your election, you will either receive 0.80 Wide Bay Shares plus \$1.00 cash, or \$9.40 cash for every MPBS Share acquired from you (subject to Wide Bay deducting the amount of any dividend paid by MPBS).

The Offer relates to MPBS Shares that exist or will exist as at the Register Date.

The Offer also extends to all MPBS Shares that were issued as a result of the conversion of MPBS Converting Preference Shares into MPBS Shares (refer to Section 5.4).

If the above ratio results in you becoming entitled to a fraction of a Wide Bay Share upon acceptance of the Offer, your entitlement will be rounded up to the nearest whole Wide Bay Share.

2.3 Offer Period

The Offer will commence on [21 November 2007] and is scheduled to close at 7.00pm (AEDT) on [24 December 2007] (but it may be extended at Wide Bay's election or otherwise in accordance with the Corporations Act).

2.4 Payment date

If you accept the Offer, you will receive the Consideration to which you are entitled under the Offer by the earlier of:

- one month after the later of the date you accept the Offer and the Offer becoming Unconditional; and
- 21 days after the Offer closes.

2.5 Conditions

The Offer is subject to a number of Conditions, as set out in Appendix 2 to this Bidder's Statement, including:

- (a) 80% minimum acceptance;
- (b) no Prescribed Occurrences occurring in respect of MPBS; and
- (c) no distributions by MPBS (other than the \$1.00 dividend that MPBS is proposing to pay MPBS Shareholders and any distribution which has been publicly announced by MPBS on the ASX before the Announcement Date).

This is only a summary of the Conditions. The Conditions are set out in full in Appendix 2.

2.6 Tax consequences

If Wide Bay's Offer becomes Unconditional and Wide Bay receives acceptances for at least 80% of the MPBS Shares on issue from MPBS Shareholders, then MPBS Shareholders may, depending on their individual circumstances, enjoy capital gains tax rollover relief to the extent that they elect to receive Wide Bay Shares as Consideration. Further details in respect of the taxation implications of accepting the Offer are set out in Section 8, however you should consult your tax adviser for further details regarding the tax implications of Wide Bay's Offer to take into account your own individual circumstances.

2.7 Foreign Shareholders

If you are (or you are acting on behalf of) a citizen or resident of a jurisdiction other than Australia, its external territories or New Zealand, or your address shown in MPBS's register of members is a place outside Australia, its external territories or New Zealand, then you are a Foreign Shareholder.

If you are a Foreign Shareholder, then unless Wide Bay otherwise determines that:

- (a) it is lawful and not unduly onerous and not unduly impracticable to make the Offer to you and to issue you with Wide Bay Shares on acceptance of the Offer; and
- (b) it is not unlawful for you to accept the Offer by the law of the relevant place outside Australia, its external territories or New Zealand,

then you are an Ineligible Foreign Shareholder, and you will not be entitled to receive Wide Bay Shares as Consideration for your MPBS Shares.

If you are an Ineligible Foreign Shareholder and you accept the Offer and elect to receive the Shares Alternative, Wide Bay will:

- arrange for the issue to the Nominee of the number of Wide Bay Shares to which you would have been entitled; and
- cause the Nominee to offer for sale those Wide Bay Shares; and
- pay to you a cash amount calculated in accordance with Clause 5.2 of Appendix 1.

This is only a summary of the entitlement of an Ineligible Foreign Shareholder. Further details have been set out in Section 9.3 and Clauses 2.2 and 5.2 of Appendix 1.

2.8 ASX listing of Wide Bay Shares

The Wide Bay Shares issued under the Offer will be issued fully paid and will, from the time of issue, rank equally for dividends and other rights with existing Wide Bay Shares.

On 5 November 2007 Wide Bay applied to ASX for quotation of the Wide Bay Shares to be issued under the Offer on the official list of the ASX. Quotation of the Wide Bay Shares to be issued under the Offer will not be automatic but will depend on the ASX exercising its discretion to admit them to the official list. However, Wide Bay is already admitted to the official list of the ASX and shares in Wide Bay in the same class or on the same terms as to those to be issued under the Offer are already quoted.

2.9 No fees

No brokerage or stamp duty will be payable by you on acceptance of the Offer (unless you are an Ineligible Foreign Shareholder and elect to receive the Shares Alternative, in which case the proceeds you will receive will be net of sale costs including brokerage). Foreign Shareholders should refer to Clause 2.2 of Appendix 1.

2.10 How to accept this Offer

In order to accept the Offer from Wide Bay you should:

Read this Bidder's Statement in full.

Consider the information provided on Wide Bay and MPBS, including the risk factors set out in Section 7 of this Bidder's Statement.

Consult your broker, financial or other professional adviser if you are in any doubt as to what action to take or how to accept the Offer. If you have any queries about the Offer you may also call the shareholder information line on 1800 188 768 (from inside Australia) (toll-free) or +61 7 4150 4036 (from outside Australia).

The Offer may only be accepted for **all** of your MPBS Shares.

How you accept this Offer depends on whether your MPBS Shares are in an Issuer Sponsored Holding or a CHESS Holding:

- **If you hold your MPBS Shares in an Issuer Sponsored Holding**, complete, sign and return the accompanying Acceptance Form in accordance with the instructions on it and deliver it or send it by post together with all other documents required by those instructions to the address indicated on the form so that they are received by the Registry before the end of the Offer Period. A reply paid envelope (for use within Australia only) is enclosed for your convenience.
- **If you hold your MPBS Shares in a CHESS Holding**, either:
 - (a) instruct your Controlling Participant (for example, your broker) to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASTC Settlement Rules; or
 - (b) complete, sign and send the Acceptance Form directly to your stockbroker or Controlling Participant; or
 - (c) complete and sign the Acceptance Form in accordance with the instructions on it and mail or deliver it to the address indicated on the form, which authorises Wide Bay to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf,

before the end of the Offer Period.

- **If you are a Broker or a Non-Broker Participant**, initiate acceptance in accordance with the requirements of the ASTC Settlement Rules before the end of the Offer Period.

2.11 Important note - effect of acceptance

Upon accepting the Offer, you will be deemed to have irrevocably appointed Wide Bay and each of its Directors from time to time severally as your agent and attorney to take certain actions including:

- (a) upon the Offer becoming Unconditional, to withdraw any proxy you may have appointed in relation to any meeting in connection with the BOQ Proposal; and**
- (b) upon the Offer becoming Unconditional, to attend and vote in respect of your MPBS Shares at all general meetings of MPBS.**

Upon the Offer becoming Unconditional, Wide Bay intends to vote any MPBS Shares in respect of which it receives acceptances under the Offer against any resolution in connection with the approval of the BOQ Proposal.

This is only a summary of two of the actions that may be taken on your behalf if you accept the Offer. A list of all actions is set out in full in clause 7 of Appendix 1.

2.12 Mailing address

Please use the self-addressed envelope enclosed with this Bidder's Statement.

The mailing address is:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne VIC 8060

Section 3 Frequently asked questions

3.1 What is the Offer?

Wide Bay has offered to acquire all of your MPBS Shares on the Offer Terms set out in Appendices 1 and 2 to this Bidder's Statement.

If you accept the Offer you can elect to receive either 0.80 Wide Bay Shares plus \$1.00 cash, or \$9.40 cash for every MPBS Share acquired from you (subject to Wide Bay deducting the amount of any dividend paid by MPBS).

3.2 What is the value of the Offer?

Based on the closing prices of Wide Bay Shares on the ASX on 26 October 2007 (the last trading day before announcement of the Offer), the implied value of Wide Bay's Shares Alternative was \$11.24 per MPBS Share (subject to Wide Bay deducting the amount of any dividend paid by MPBS). The implied Offer value will change as a consequence of changes in the market price of Wide Bay Shares from time to time.

The value of Wide Bay's Cash Alternative is \$9.40 per MPBS Share (subject to Wide Bay deducting the amount of any dividend paid by MPBS).

In addition, depending on your individual taxation circumstances, you may benefit from the use of franking credits on any dividend paid by MPBS.

3.3 How does the Offer compare with the BOQ Proposal?

Wide Bay's Cash Alternative is \$0.15 higher than the sum of the BOQ Cash Alternative and the \$1.00 dividend proposed by MPBS.

At the closing prices of Wide Bay and BOQ on 26 October 2007, Wide Bay's Shares Alternative was \$0.59 higher than the sum of BOQ's Shares Alternative and the \$1.00 dividend proposed by MPBS.

3.4 What are the tax consequences of the Offer?

A summary of the likely tax consequences is set out in Section 8. However, you should consult your tax, financial or other professional adviser on the tax implications of acceptance of the Offer to take into account your own individual circumstances.

3.5 What choices do I have as a MPBS Shareholder?

As a MPBS Shareholder, you have the following choices with regard to your MPBS Shares:

- accept the Wide Bay Offer for all of your MPBS Shares; or
- sell your MPBS Shares on the ASX; or
- vote in favour of the BOQ Proposal; or
- do nothing.

3.6 Can I accept the Offer for part of my holding of MPBS Shares?

No, the Offer may only be accepted for **all** of your MPBS Shares.

3.7 What are the Conditions of the Offer?

The Offer is subject to a number of Conditions as set out in Appendix 2, including:

- (a) 80% minimum acceptance;
- (b) no Prescribed Occurrences occurring in respect of MPBS; and
- (c) no distributions by MPBS (other than the \$1.00 dividend that MPBS is proposing to pay MPBS Shareholders and any distribution which has been publicly announced by MPBS on the ASX before the Announcement Date).

This is only a summary of the Conditions. The Conditions are set out in full in Appendix 2.

3.8 What happens if the Conditions of the Offer are not satisfied or waived?

The Offer will lapse if the Conditions of the Offer are not satisfied or waived by the close of the Offer Period.

3.9 What happens if I do not accept the Offer?

If Wide Bay acquires at least 90% of the MPBS Shares on issue at any time during the Offer Period and the Conditions are satisfied, Wide Bay intends to proceed to compulsorily acquire your MPBS Shares if you have not accepted the Offer. At the conclusion of compulsory acquisition, you will receive the Consideration.

If Wide Bay acquires less than 80% of the MPBS Shares, Wide Bay's offer will lapse unless it waives the 80% minimum acceptance condition.

If you do not accept this Offer and no other offer for the shares of MPBS is successful, then it is likely the MPBS share price may fall to pre-bid price levels.

3.10 When does the Offer close?

The Offer is currently scheduled to close at 7.00pm (AEDT) on [24 December 2007], unless the Offer is extended.

3.11 Can Wide Bay extend the Offer Period?

Yes, the Offer Period can be extended at Wide Bay's election or otherwise in accordance with the Corporations Act. If you have not accepted the Offer, you will receive written notification of any such extension.

3.12 If I accept the Offer, when will I receive the Consideration?

If you accept the Offer, you will receive the Consideration within one month after the later of receipt of your acceptance and the date on which the Offer becomes Unconditional, and in any event before 21 days after the end of the Offer Period.

3.13 What dividend income will I receive if the Offer is successful?

MPBS Shareholders will remain entitled to any dividend paid by MPBS. If the Offer is successful, MPBS Shareholders who elect the Shares Alternative will become entitled to receive future dividends declared by Wide Bay.

3.14 What happens if the Wide Bay share price increases or decreases prior to the receipt of the Consideration for my MPBS Shares?

Following acceptance of the offer, MPBS Shareholders will be entitled to either 0.80 Wide Bay Shares plus \$1.00 cash, or \$9.40 cash for each MPBS Share they hold (subject to Wide Bay deducting the amount of any dividend paid by MPBS). This Consideration will remain the same regardless of whether the Wide Bay Share price increases or decreases during the Offer Period, provided Wide Bay does not alter the Offer price during this period.

3.15 What happens if the Consideration for my MPBS Shares results in entitlement to a fraction of a Wide Bay Share?

If you accept the Offer and the Consideration for your MPBS Shares results in an entitlement to a fraction of a Wide Bay Share, your Consideration will be rounded up to the nearest whole Wide Bay Share.

3.16 When will I be able to trade my Wide Bay Shares on the ASX?

The Wide Bay Shares issued under the Offer will be issued fully paid and will, from the time of issue, rank equally for dividends and other rights with existing Wide Bay Shares.

On 5 November 2007 Wide Bay applied to ASX for quotation of the Wide Bay Shares to be issued under the Offer on the official list of the ASX. Quotation of the Wide Bay Shares to be issued under the Offer will not be automatic but will depend on the ASX exercising its discretion to admit them to the official list. However, Wide Bay is already admitted to the official list of the ASX and shares in Wide Bay in the same class or on the same terms as to those to be issued under the Offer are already quoted.

3.17 Is there a cooling off period or can I change my mind following acceptance of the Offer?

No. Once a MPBS Shareholder has accepted the Offer, they are unable to withdraw this acceptance, unless a right to withdraw arises under the Corporations Act.

3.18 Will I need to pay brokerage or stamp duty if I accept the Offer?

No (unless you are an Ineligible Foreign Shareholder and elect to receive the Shares Alternative, in which case the proceeds you will receive will be net of sale costs including brokerage). Foreign Shareholders should refer to Clause 2.2 of Appendix 1.

3.19 How do I accept the Offer?

To accept the Offer, you should follow the steps set out in Clause 4 of Appendix 1.

3.20 Will MPBS have to pay a break fee to BOQ?

Under the terms of the BOQ Proposal, the acquisition of MPBS Shares by Wide Bay under the Offer may give rise to an obligation on MPBS to pay BOQ a break fee of \$0.56 million as set out in the BOQ Scheme Booklet.

3.21 Where do I get further information?

If you have any queries about the Offer you can call the shareholder information line on 1800 188 768 (from inside Australia) (toll-free) or +61 7 4150 4036 (from outside Australia).

Section 4 Profile of Wide Bay

4.1 Background

Headquartered in Bundaberg in Central Queensland, Wide Bay has been providing banking and other financial services to its clients since 1966.

Through the support of its local communities and following a series of successful mergers and acquisitions, Wide Bay is now one of the largest building societies in Australia and among the 50 largest Queensland-based companies listed on the ASX. Its market capitalisation as at 26 October 2007 was more than \$319 million.

Wide Bay operates a network of 38 branches, agencies and lending outlets, predominantly in Queensland but also in Adelaide, Melbourne and Sydney. This geographic footprint provides the vast majority of Wide Bay's banking business with brokers accounting for less than 8% of total loan approvals in the last financial year.

Wide Bay provides a broad range of personal and commercial banking products and services. In addition to providing traditional banking services, Wide Bay also operates its wholly owned lenders mortgage insurance captive, Mortgage Risk Management, and owns 25% of Financial Technology Securities, a successful financial planning organisation. More recently, Wide Bay became a strategic partner of Professional Investment Services, one of the largest financial planning groups in Australia.

Wide Bay has had access to securitisation and warehouse funding programs since June 1997 and has conducted seven public securitisation issues totalling \$1.94 billion. Wide Bay holds a "BBB" investment grade rating from Standard & Poor's, however has been placed on credit watch with negative implications pending the outcome of the Offer.

Wide Bay is an APRA regulated Authorised Deposit Taking Institution approved under the Banking Act 1959 to conduct banking business. It has an Australian Financial Services Licence.

Wide Bay plays an active part in the communities in which it operates, supporting local activities, organisations and events and building its reputation around a true community banking philosophy.

4.2 Business overview

(a) Key statistics

Statistic	FY2006	FY2007
Market capitalisation ¹	\$212.57 million	\$299.97 million
Branches/Agencies/Lending Outlets	35	38
Net interest margin ²	1.95%	2.14%
Net profit after tax	\$14.48 million	\$16.27 million

Statistic	FY2006	FY2007
Cost to income ratio	56.7%	53.6%
Capital adequacy ratio	15.77%	13.85%
Net tangible assets per share	\$4.30	\$3.70
Basic earnings per share	57.5c	64.8c
Diluted earnings per share	57.9c	65.1c
Dividends per share ³	51.5c	60.0c
Dividend payout ratio	91.7%	92.9%
Return on equity	16.39%	17.59%

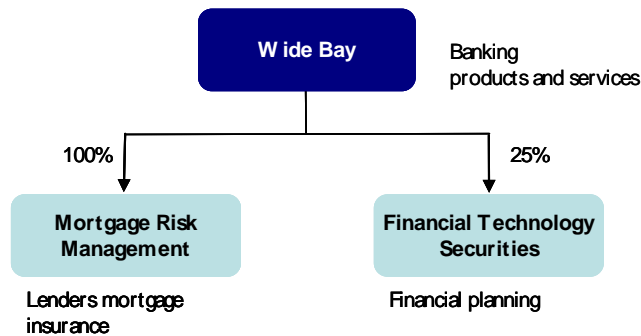
¹ As at 30 June

² As at 30 June

³ Dividends declared by Wide Bay in respect of that year's income

(b) **Group structure**

The various entities (excluding non-trading entities) and investments that comprise the Wide Bay group structure are set out in the following diagram.



Wide Bay is a product partner with the following organisations:

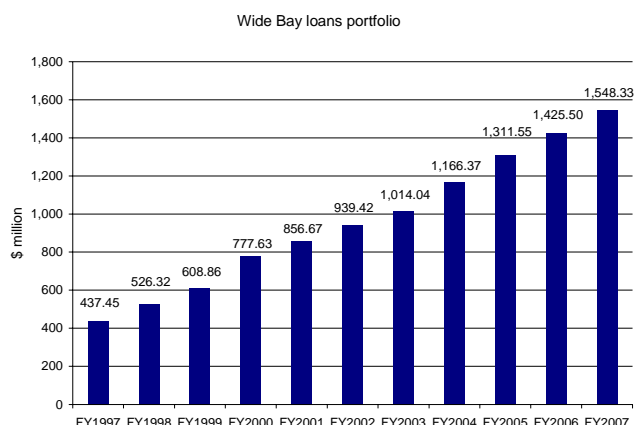
- Allianz Australia Insurance Limited;
- Club Marine Limited;
- Citibank Pty Limited;
- Travelex Ltd;
- Banklink Limited;
- Australian Postal Corporation;
- Cashcard Australia Limited; and
- BPAY Pty Limited.

(c) **Banking products and services**

Approximately 73% of Wide Bay's net profit after tax can be attributed to traditional banking activities such as:

- banking services – eg, electronic banking, cheque payments, periodic payments, BPAY;
- business loans and overdrafts;
- credit cards;
- deposit accounts, including term deposits;
- foreign exchange services;
- home loans;
- lines of credit;
- margin loans; and
- personal loans.

The growth in the Wide Bay loans portfolio since FY1997 is shown in the following chart:



As at 30 June 2007, residential mortgages were the largest contributors to Wide Bay's total loans portfolio, accounting for 99.33% of all loans. 98.3% of these residential loans are fully covered by lenders mortgage insurance with the balance being low loan-to-value ratio loans. Wide Bay **does not** have any sub-prime or low-doc loans. Sub-prime and low-doc loans are loans that are generally granted to borrowers who may have a lower quality credit history or lower levels of evidence of income (including self employed persons). Sub-prime and low-doc loans are generally considered to be higher risk than conventional A-grade loans.

Wide Bay has recently developed a margin lending product and is one of four approved margin lenders for the Aviva owned Navigator Australia Limited as operator of the Navigator Personal Investment Plan, which principally comprises a platform of managed funds. The other approved margin lenders are St George Bank Limited, Colonial Geared Investments (a part of Commonwealth Bank Australia Limited) and Leveraged Equities Limited (a part of Adelaide Bank).

Wide Bay has been able to achieve strong growth in loans without compromising overall asset quality. As at 24 September 2007, loans in arrears in excess of 30 days represented 1.34% of Wide Bay's lending portfolio. This figure reflects Wide Bay's strict lending and risk management policies which include:

- no sub-prime or low-doc loans;
- high quality credit approval processes; and
- strong collection and arrears procedures.

Wide Bay is funded through a mixture of retail deposits and securitisation programs, with deposits comprising approximately 53% of funding. Wide Bay's deposit base grew by 9.07% in the 2007 financial year.

Wide Bay has had access to securitisation and warehouse funding programs since June 1997. To date seven public securitisation programs have been issued to capital markets totalling \$1.94 billion. Wide Bay currently has a \$600 million securitisation warehouse facility in place with the ANZ Investment Bank which has been drawn to \$183.39 million as at 26 October 2007. This warehouse facility will assist Wide Bay in funding its future growth of assets under management.

Recent developments in the United States sub-prime mortgage industry have adversely affected the liquidity of global credit markets. This has resulted in an increase in the cost of wholesale funds throughout global markets including Australia, and in some cases a reduction in the availability of some funding sources. Should the existing conditions continue into 2008, it is likely that Wide Bay's overall cost of funds will increase, however the timing and extent of any such increase cannot be reliably forecast at this time.

(d) Non-banking products and services

In addition to its traditional banking operations, Wide Bay also undertakes or offers the following products and services:

- lends mortgage insurance – through 100% owned subsidiary, Mortgage Risk Management;
- financial planning – through 25% owned Financial Technology Securities; and
- general insurance, personal risk insurance and travel insurance and associated products through its product partners listed in Section 4.2(b).

In the financial year ended 30 June 2007, Mortgage Risk Management generated an after tax profit of \$2.23 million.

Financial Technology Securities is a financial planning organisation based in Brisbane with five branches in Queensland and two in Victoria. Financial Technology Securities is 50% owned by management, with Aviva Australia Group and Wide Bay owning 25% each. In the financial year ended 30 June 2007, Wide Bay's after tax profit included \$1.03 million in profit from Financial Technology Securities.

4.3 Distribution

The approximate locations of Wide Bay's 36 branches and agencies and two lending outlets are shown on the following map.



Wide Bay also originates lending through third parties such as finance brokers. However these broker-introduced loans accounted for less than 8% of Wide Bay's loan approvals in the 12 months to 30 June 2007.

4.4 Management team

Wide Bay has a stable and experienced management team, comprising the Managing Director, an Executive Director and nine key executives.

Title	Years at Wide Bay
Managing Director	41 years
Director/Executive Manager	33 years
Operations and IT Manager	32 years
Training Manager	30 years
Administration Manager	28 years
Marketing Manager	22 years
Branch Development Manager	12 years
Manager – Structured Finance, Products and Interstate Operations	12 years
Chief Financial Officer	7 years
Loans Manager	6 years
Internal Auditor	5 years

4.5 Board of Directors

The Directors of Wide Bay are:

- Mr John F Pressler (Chairman)
- Mr Ronald E Hancock (Managing Director)
- Mrs Frances M McLeod (Executive Director)
- Mr John H Fell (Non-executive Director)
- Mr Peter J Sawyer (Non-executive Director)

Details of these Directors are provided at Section 6.2.

4.6 Financial information

The Wide Bay financial information contained in Sections 4.7 to 4.12 comprises:

- the historical income statements for the financial years ended 30 June 2006 and 2007;

- the financial forecast for the financial year ending 30 June 2008;
- the audited balance sheets as at 30 June 2006 and 2007; and
- the historical cash flows for the financial years ended 30 June 2006 and 2007.

The financial information that is presented and explained in this Section has been prepared in accordance with AIFRS, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act. The accounting policies of Wide Bay have been consistently applied throughout the periods under review except as set out in the accounting policies in Section 6.8. The financial information should be read in conjunction with the Directors' best estimate assumptions on which the forecasts are based and the risk factors in Section 7.

The forecast financial information has been prepared for the year ending 30 June 2008, based on the Directors' assessment of present economic and operating conditions and on a number of best estimate assumptions regarding future events and actions which, at the date of this Bidder's Statement, the Directors expect to take place.

Forecasts by their very nature are subject to uncertainties and unexpected events, many of which may be outside the control of Wide Bay and its Directors. Events and circumstances may not, and often do not, occur as anticipated and therefore actual results may vary from the forecast and these variances may be materially positive or negative. Accordingly, the Directors cannot and do not guarantee the achievement of the forecast.

4.7 Historical financial performance

Set out below is a summary of Wide Bay's historical consolidated income statements for each of the financial years ended 30 June 2006 and 2007.

\$ million	FY2006	FY2007
Interest revenue	108.77	123.88
Borrowing costs	(76.77)	(89.05)
Net interest revenue	32.00	34.83
Share of profit of associate	0.79	1.03
Other non-interest revenue	13.84	13.51
Employee benefits expense	(10.47)	(10.93)
Depreciation and amortisation expense	(1.39)	(1.66)
Occupancy expense	(1.30)	(1.49)
Bad and doubtful debts expense	(0.04)	(0.02)
Other expenses	(13.22)	(12.37)
Profit before income tax	20.21	22.90
Income tax expense	(5.77)	(6.60)
Profit after tax from continuing operations	14.44	16.30
Profit/ (loss) attributable to minority interest	(0.04)	0.03
Net profit attributable to members of the parent company	14.48	16.27

4.8 Forecast financial performance

For the financial year ending 30 June 2008, Wide Bay is forecasting a net profit after tax of \$18.22 million. This represents a 12.0% increase over the net profit after tax of \$16.27 million achieved in the financial year ended 30 June 2007. The FY2008 forecast is supported by an 8.01% expected increase in net interest income to \$37.62 million and maintaining a cost to income ratio in a range of 53.0% to 54.0%. The net interest margin at 30 June 2008 is forecast to be 2.00%.

The forecast reflects the financial position of Wide Bay on a stand alone basis and does not include any forecast financial information for MPBS should Wide Bay acquire MPBS. The material assumptions made by the Directors in preparing the forecast are set out below.

General assumptions

- No change in Wide Bay's funding or capital structure, other than changes flowing directly from this Offer as set out in this Bidder's Statement.
- No material acquisitions or disposals or restructuring of the business during the forecast period.
- No significant change in the legislative regimes and regulatory environments (including taxation) in the jurisdictions in which Wide Bay or its customers operate.
- No changes in accounting standards or other mandatory professional reporting requirements or the Corporations Act.
- Wide Bay's significant accounting policies remain consistent with those disclosed in Section 6.8.
- No material change in competitive activity in the markets in which Wide Bay operates.
- No significant amendment to or termination of any material agreement or arrangement relating to Wide Bay's business.
- No material changes in industrial, political or economic conditions with respect to the investment management industry or the Australian economy.
- No material changes in international or Australian equity markets.
- No material impact from loss of key personnel.
- No material costs as a consequence of litigation.
- No significant change in the expected impact of developments in the Queensland building sector.

Specific assumptions

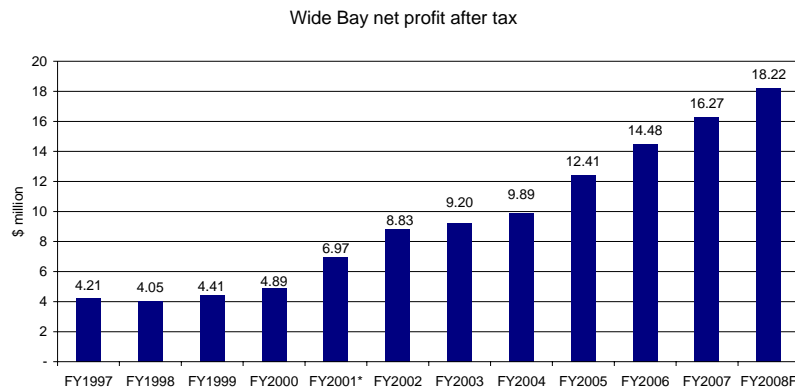
- No material change in Wide Bay's product offerings or product fees.
- Growth of approximately 16.00% in Wide Bay's total loan book, including commercial and margin loans.
- No further material change in wholesale funding (refer Section 4.2(c)).
- Maintaining a cost to income ratio in the range of 53% to 54%.

- Company tax rate of 30%.
- Growth of approximately 7% in profit from financial planning and Mortgage Risk Management.
- No change in current level of bad debts.
- Achieving an interest margin which is consistent with previous years.

4.9 Analysis of historical and forecast performance

Profitability

Wide Bay achieved a net profit after tax of \$16.27 million in FY2007, an increase of 12.38% over the FY2006 result. Wide Bay has achieved strong growth in net profit after tax over the past ten years, recording a cumulative average growth rate in net profit after tax of 14.46% over this time. Growth in net profit after tax is expected to continue, with net profit after tax forecast to increase by 12.00% to \$18.22 million in FY2008. The following chart shows the net profit after tax achieved by Wide Bay during the period FY1997 to FY2007 as well as the forecast net profit after tax for FY2008.

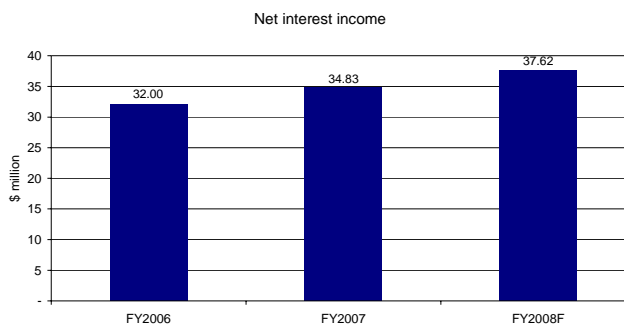


* Normalised

Net interest income

Wide Bay's net interest income increased by 8.84% during FY2007 from \$32.00 million in FY2006 to \$34.83 million in FY2007 and is forecast to increase by 8.01% to \$37.62 million in FY2008.

Wide Bay's net interest margin was 1.95% at 30 June 2006 and 2.14% at 30 June 2007. For the FY2008 financial year, Wide Bay's net interest margin is forecast to be 2.00%.



Non-interest income

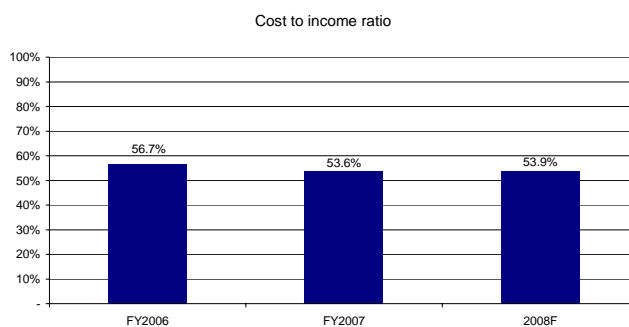
In the last two years, more than 10% of Wide Bay's income was generated from sources other than interest. In FY2008, the Directors forecast a similar level of non-interest income will be generated. Non-interest income comprises such items as commissions, fees, dividends and other income from Wide Bay's operations.

Expenses

Notwithstanding a 5.87% increase in income in FY2007, total expenses increased by less than 0.2%.

Wide Bay is one of the most efficient building societies in Australia based on cost to income ratios across building societies in Australia.

Wide Bay improved its cost to income ratio from 56.7% in FY2006 to 53.6% in FY2007 with a projected ratio of 53.9% in FY2008. In comparison, the cost to income ratio of MPBS for the year ended 30 June 2007 was 80.2%.



4.10 Balance sheets

\$ million	FY2006	FY2007
Assets		
Cash and cash equivalents	60.47	50.07
Receivables	10.25	13.58
Investments	124.24	91.41
Loans and advances	1,425.50	1,548.33
Property, plant and equipment	17.16	17.33
Other assets	7.50	10.70
Total Assets	1,645.12	1,731.42
Liabilities		
Deposits and short term borrowings	761.86	830.99
Payables and other liabilities	24.11	25.17
Securitised loans	747.08	758.39
Other liabilities	23.71	24.35
Total Liabilities	1,556.76	1,638.90
Net Assets	88.36	92.52

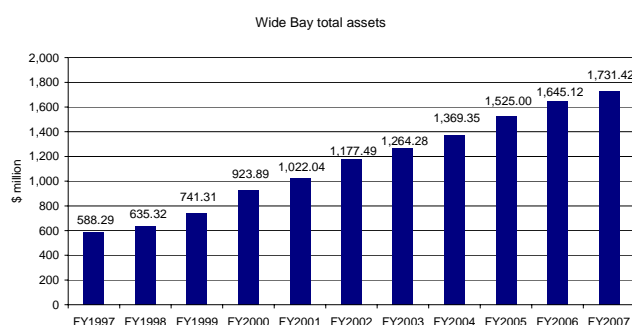
Equity		
Contributed equity	58.70	59.62
Retained profits	15.60	18.81
Reserves	14.48	14.48
Outside equity interest	(0.42)	(0.39)
Total Equity	88.36	92.52

Lending approvals and asset growth

Lending approvals reached a new record of \$485.23 million in FY2007, an increase of 16.36% over the FY2006 result. This increase was the result of a strong housing industry in Queensland, the contribution from Wide Bay's interstate branches and increased lending through our financial planning association.

This lending approval growth translated into growth in total loans under management of 8.62% to \$1,548.33 million.

Wide Bay's total assets have grown at a cumulative average growth rate of 11.40% over the past ten years, increasing from \$588.29 million in FY1997 to \$1,731.42 million in FY2007. The following chart shows Wide Bay's total assets during the period from FY1997 to FY2007.



Asset quality and provisioning

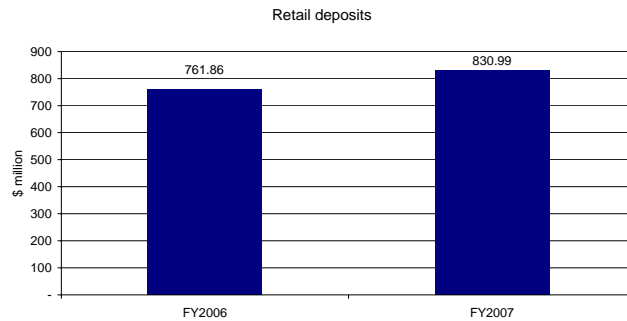
Wide Bay has an excellent bad debts history. In FY2007, bad debts of \$18,297 (0.001% of loans) were expensed compared with \$42,737 (0.003% of loans) in FY2006. A general reserve of \$1.93 million exists in respect of bad/doubtful debts.

Wide Bay has been successful in minimising bad debts expense through adherence to strict lending and risk management policies including high quality credit approval and collection and arrears processes. Further, Wide Bay has preserved the quality of its loan book by not offering low-doc and sub-prime lending products.

98.3% of Wide Bay's loan book is fully covered by lenders mortgage insurance.

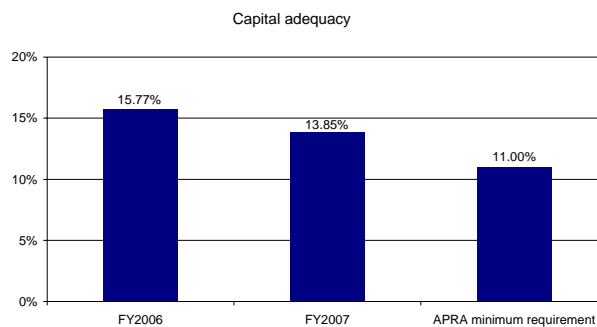
Retail deposit growth

Wide Bay retail deposits grew by 9.07% from \$761.86 million in FY2006 to \$830.99 million in FY2007. Retail deposit growth was due to Wide Bay's strong retail base, which included new and relocated branches.



Capital management

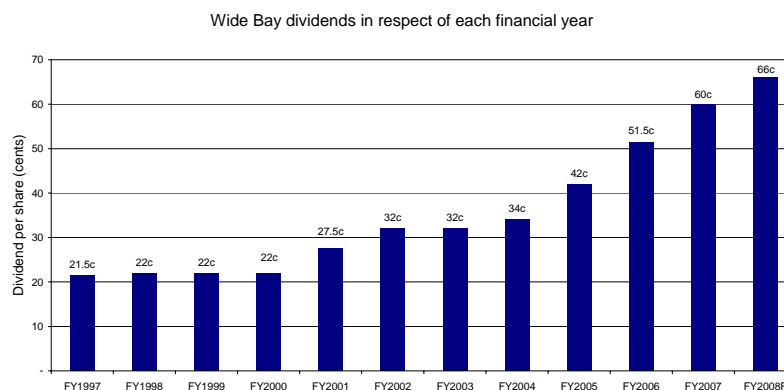
Wide Bay maintained a strong capital base in FY2007 with a capital adequacy ratio of 13.85%, compared to 15.77% in FY2006. This capital base is in excess of APRA's minimum regulatory requirement of 10% (refer Section 9.13). Tier 1 capital comprised 85.20% of total capital as at 30 June 2007.



4.11 Dividend and distribution history

In FY2006, Wide Bay increased dividends paid by 16.5% over the prior year, from 51.5 cents per share in FY2006 to 60.0 cents per share in FY2007. Based on the volume weighted average Wide Bay Share price in FY2007, this represents a dividend yield of 4.65% (fully franked). Based on forecast earnings and a payout ratio as in the past, a fully franked dividend of 66.0 cents per share is expected to be paid in respect of the 2008 financial year.

The following chart shows the dividends declared per share over the past ten years as well as the forecast dividend for FY2008. All dividends paid over this time have been fully franked.



4.12 Cash flow statement

\$ million	FY2006	FY2007
Cash flows from operating activities	14.53	10.96
Cash flows from investing activities	(98.11)	(93.54)
Cash flows from financing activities	100.65	72.18
Net increase/(decrease) in cash held	17.07	(10.40)
Cash at beginning of financial year	43.40	60.47
Cash at end of financial year	60.47	50.07

4.13 Material change in Wide Bay's financial position since last published accounts

Except as set out elsewhere in this Bidder's Statement, there has been no material change in Wide Bay's financial position since 30 June 2007, the date of Wide Bay's last published financial statement.

4.14 Wide Bay's issued securities and sharemarket performance

As at 29 October 2007, Wide Bay had 24,997,798 fully paid ordinary shares on issue. Wide Bay's ordinary shares are quoted on the ASX under the code WBB.

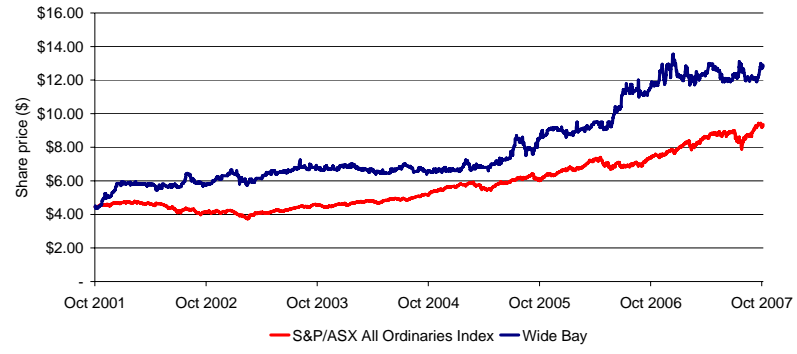
The latest recorded sale price of Wide Bay Shares on the ASX before the date on which this Bidder's Statement was lodged with ASIC on October 29 2007 was \$12.80 per Wide Bay Share.

The highest recorded sale price of Wide Bay Shares on the ASX in the four months before this Bidder's Statement was lodged with ASIC on October 29 2007 was \$13.10 per Wide Bay Share.

The lowest recorded sale price of Wide Bay Shares on the ASX in the four months before this Bidder's Statement was lodged with ASIC on October 29 2007 was \$11.90 per Wide Bay Share.

The following chart shows a comparison of the daily closing price of Wide Bay Shares on the ASX to the S&P/ASX All Ordinaries Index from 27 October 2001 to 26 October 2007. To provide a useful comparison of share price performance, the S&P/ASX All Ordinaries Index has been rebased to the Wide Bay share price from 27 October 2001. Over this period, Wide Bay's share price has shown a compound annual growth rate of 19.30%.

Wide Bay & S&P/ASX All Ordinaries Index



Source: IRESS Market Technology

Section 5 Profile of MPBS

5.1 Disclaimer

Information on MPBS in the following pages has been prepared by Wide Bay using publicly available information. This information has not been independently verified. Accordingly, Wide Bay does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

The information on MPBS in this Bidder's Statement should not be considered to be comprehensive.

In addition, the Corporations Act requires the MPBS Board to provide a Target's Statement to MPBS Shareholders in response to this Bidder's Statement, setting out certain material information concerning MPBS.

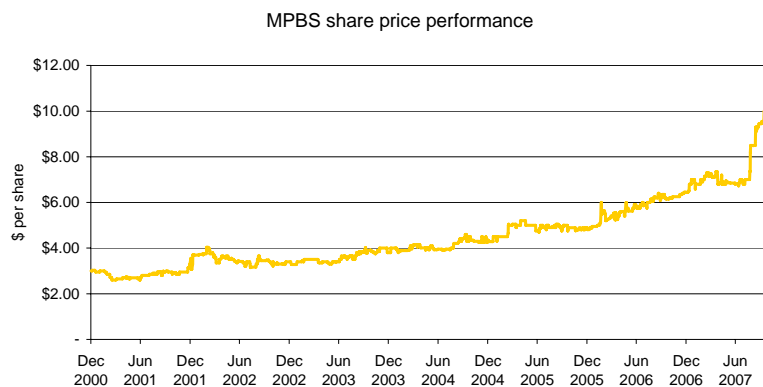
On or around 19 October 2007, MPBS despatched the BOQ Scheme Booklet to its shareholders in connection with the BOQ Proposal that contains comprehensive information on MPBS. MPBS Shareholders requiring more information on MPBS should refer to that document.

5.2 Profile of MPBS

Based in Mackay, MPBS first opened in 1955 with the objective of providing an alternative source of housing finance to the local market against the existing banking system.

MPBS has 21,000 member accounts and total assets of \$353 million as at 30 June 2007. MPBS currently operates 13 branches and 13 agencies from Rockhampton to Mackay, the Whitsundays and Townsville.

MPBS was listed on the ASX on 1 December 2000 at \$3.00 and, immediately prior to the Announcement Date, had an undiluted market capitalisation of \$40.2 million. The following chart shows MPBS's share price performance since December 2000.



Source: IRESS Market Technology

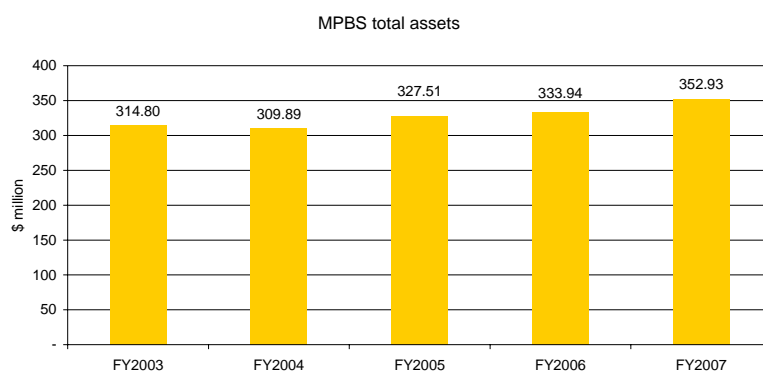
The following table provides some key statistics and ratios for MPBS for the year ended 30 June 2006 and 2007.

Statistic	FY2006	FY2007
Market capitalisation ¹	\$33.92m	\$39.09m
Branches and agencies	26	26
Cost to income ratio	78.74%	80.16%
Net tangible assets per share	\$3.06	\$3.09
Earnings per share	29.87c	30.27c
Diluted earnings per share	29.87c	30.27c
Return on average ordinary equity	10.11%	9.72%
Dividends	23c	111c ²

¹ As at 30 June

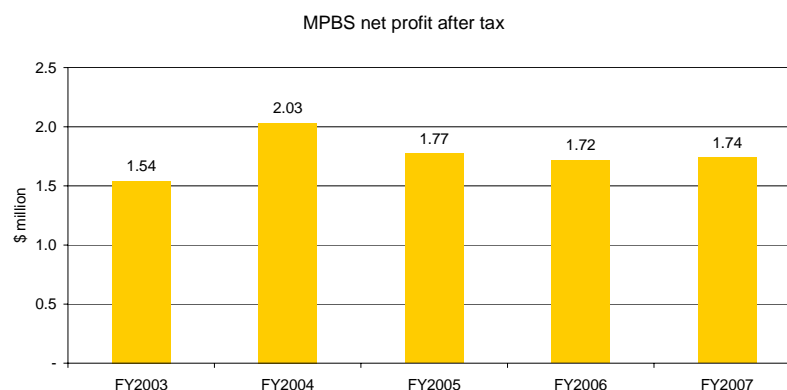
² Includes an interim dividend of 11 cents and the dividend of \$1.00 that MPBS is proposing to pay MPBS Shareholders under the BOQ Proposal

At 30 June 2007, MPBS had total assets of approximately \$352.93 million.



Source: MPBS Annual Reports

For the financial year ended 30 June 2007, MPBS announced a net profit after tax of \$1.74 million. MPBS's reported net profit after tax for each of the last five financial years ended 30 June is set out in the following chart.



Source: MPBS Annual Reports

5.3 Historical financial information

This Section provides the historical profit and loss statement, balance sheet and cash flow statement for MPBS for FY2006 and FY2007.

Profit and loss statement

\$ '000	FY2006	FY2007
Interest income	21,536	24,815
Interest expense	12,934	15,810
Net interest income	8,602	9,005
Other income	3,655	3,961
Net income	12,257	12,966
Other expenses	9,651	10,393
Profit before income tax expense	2,606	2,573
Income tax expense	889	833
Profit for the year	1,717	1,740

Balance sheet

\$ '000	FY2006	FY2007
Assets		
Cash and cash equivalents	28,637	20,641
Due from other financial institutions	13,096	30,746
Loans to controlled entities	0	0
Investments	2,649	2,948
Loans and advances	283,378	291,710
Deferred tax assets	277	401
Property, plant and equipment	5,036	5,025
Intangible assets	137	297
Other assets	729	1,157
Total assets	333,939	352,925
Liabilities		
Deposits	308,104	316,055
Accounts payable and other liabilities	4,048	5,088

Loan from controlled entity	0	0
Converting preference shares	2,716	2,716
Current tax liabilities	365	60
Employee benefit obligations	1,005	1,041
Subordinated debt	0	9,880
Total liabilities	316,238	334,840
Net assets	17,701	18,085
Equity		
Issued capital	7,129	7,129
Retained profits	9,426	9,810
Asset revaluation reserve	1,146	1,146
Total equity	17,701	18,085

Cash flow statement

\$ '000	FY2006	FY2007
Cash flows from operating activities	(3,500)	2,153
Cash flows from investing activities	27,689	(18,691)
Cash flows from financing activities	(1,322)	8,542
Net increase/(decrease) in cash and cash equivalents	22,867	(7,996)
Cash and cash equivalents at 1 July	5,770	28,637
Cash and cash equivalents at 30 June	28,637	20,641

5.4 Information about MPBS Shares

Capital structure

The total number of ordinary shares in MPBS as at 2 November 2007 was 6,021,553, including 272,791 that were issued on the conversion of MPBS Converting Preference Shares.

MPBS had 135,798 MPBS Converting Preference Shares on issue that converted into ordinary shares on or about 1 November 2007. The ordinary shares into which the MPBS Converting Preference Shares converted are also the subject of this Offer on the same terms as the existing ordinary shares.

According to the 2007 MPBS Annual Report:

“On conversion, a preference shareholder must be allotted additional fully paid ordinary shares in accordance with the following formula:

$$OS = TIP/AP - PS$$

Where:

'OS' is the number of ordinary shares to be allotted.

'TIP' is the total issue price initially paid in respect of the preference shareholder's holding of preference shares.

'AP' is the allotment price of each ordinary share to be allotted on conversion being 95 per cent of the volume weighted average price of ordinary shares sold on the ASX during the 20 trading days immediately before the conversion date (adjusted to the nearest whole cent).

'PS' is the number of preference shares held by the holder immediately prior to the conversion date.

The additional ordinary shares will rank equally with all other fully paid ordinary shares then on issue. Where the aggregate of the additional ordinary shares to be allotted to a holder includes a fraction, that fraction will be rounded up to the next whole ordinary share."

Any changes to the total number of securities that have occurred after the date of this Bidder's Statement are not reflected in the number of MPBS Shares.

Details of relevant interests in MPBS securities

Wide Bay owns 1.51% of the MPBS Shares on issue. 63,371 of these MPBS Shares were acquired on market on 19 July 2007 for \$7.00 cash per MPBS Share and 27,746 of these MPBS Shares were acquired on market on 23 July 2007 for an average of approximately \$6.97 cash per MPBS Share.

On 24 July 2007, Wide Bay entered into five option agreements (Option Agreements) with five Major MPBS Shareholders under which Wide Bay might acquire 13.43% of the MPBS Shares. Further details associated with the Option Agreements have been summarised in 9.1.

Details of Wide Bay's relevant interests in the securities of MPBS are set out in the following table.

Class of securities	Total number in class	Relevant interest of Wide Bay immediately before Bidder's Statement lodged with ASIC	Relevant interest of Wide Bay on the date immediately before Offer is sent
MPBS Shares	6,021,553	899,788 ordinary shares 14.94%	899,788 ordinary shares 14.94%

Details of voting power in MPBS

Wide Bay and its associates claim to have 14.94% voting power in MPBS pursuant to section 610 of the Corporations Act as at the date of this Bidder's Statement.

Wide Bay and its associates claim to have 14.94% voting power in MPBS pursuant to section 610 of the Corporations Act as at the date immediately before the Offer is sent.

In respect of the voting power claimed by Wide Bay:

- 1.51% is claimed by virtue of Wide Bay's ownership of 91,117 MPBS Shares; and
- 13.43% is claimed pursuant to the Option Agreements referred to in Section 9.1.

Wide Bay is aware that MPBS disputes Wide Bay's claim to 13.43% voting power arising pursuant to the Option Agreements and believes that the voting power of Wide Bay under the Option Agreements is significantly less than that claimed by Wide Bay.

The terms of the Option Agreements were released to the market when Wide Bay filed a notice (Form 603) on 25 July 2007.

The extent of the voting power to which Wide Bay is entitled is dependent on the proper interpretation of the Option Agreements which is disputed between Wide Bay and the Grantors.

Notwithstanding Wide Bay's claimed voting power in MPBS as stated above, Wide Bay only has the power to exercise the right to vote attaching to 1.51% of the MPBS Shares on issue because the terms of the Option Agreements do not permit Wide Bay to exercise the right to vote attaching to the MPBS Shares the subject of those Option Agreements.

5.5 Consideration provided for MPBS securities during the previous four months

Except as set out in Section 5.4 of this Bidder's Statement, Wide Bay and its associates have not acquired or disposed of MPBS Shares during the period of four months ending on the day immediately before the date of the Offer.

5.6 Inducing benefits given during previous four months

Except as set out in this Bidder's Statement, neither Wide Bay nor any of its associates has, during the period of four months ending on the day immediately before the date of the Offer, given, offered or agreed to give, a benefit to another person where the benefit was likely to induce the other person, or an associate, to:

- (a) accept an Offer; or
- (b) dispose of MPBS Shares,

which benefit was not offered to all holders of MPBS Shares under the Offer.

5.7 Substantial shareholders

As at 29 October 2007, the substantial shareholders of MPBS were as follows:

Shareholder	Shares Held	% of Issued Capital
M Pask	359,767	6.26%
R & D Cran	330,092	5.74%

Both of these shareholders have provided Wide Bay an option over some or all of their shareholdings as set out in Section 9.1.

5.8 Publicly available information

MPBS is a company listed on the ASX and is subject to the periodic and continuous disclosure requirements of the Corporations Act and the ASX Listing Rules. MPBS's 2007 Annual Report was given to the ASX on 10 October 2007. A list of announcements made by MPBS on the ASX between 30 June 2007 and the date of this Bidder's Statement appears in Appendix 4.

Section 6 Profile of the Merged Group

6.1 Wide Bay's intentions

This Section sets out Wide Bay's current intentions in relation to the following:

- the continuation of the business of MPBS;
- any major changes to be made to the business of MPBS, including any redeployment of the fixed assets of MPBS; and
- the future employment of the present employees of MPBS.

Wide Bay's current intentions for MPBS have been formed following a review of facts, information and circumstances concerning MPBS that were publicly available as at the date of this Bidder's Statement. That review by Wide Bay and its advisers did not provide Wide Bay with sufficient facts, information and circumstances necessary to finally determine its intentions with respect to MPBS. As such, statements set out in this Section are statements of current intention only which may change as new information becomes available or circumstances change.

Following the close of the Offer, it is Wide Bay's intention to undertake a detailed review of the operations, assets, structure and employees of MPBS. The objective of the detailed review will be to identify the prospects of the merged businesses and all potential synergies that can be achieved by Wide Bay. Only upon completion of the detailed review will Wide Bay finally determine its intentions with respect to MPBS.

(a) Intentions upon acquisition of 90% or more of MPBS Shares

This Section sets out Wide Bay's current intentions if it acquires 90% or more of the MPBS Shares and is entitled to proceed to compulsory acquisition of the outstanding MPBS Shares.

(i) *Compulsory acquisition*

Wide Bay intends to compulsorily acquire any outstanding MPBS Shares in accordance with section 661B of the Corporations Act. Wide Bay also intends to amend the constitution of MPBS to reflect its status as a wholly-owned subsidiary of Wide Bay.

Should Wide Bay move to 100% ownership of MPBS then, assuming all MPBS Shareholders elect to receive the Shares Alternative, Wide Bay will be approximately 15.95% owned by MPBS Shareholders and 84.05% owned by current Wide Bay shareholders.

(ii) *ASX listing*

At the conclusion of the compulsory acquisition process, Wide Bay intends to arrange for MPBS to be removed from the official list of the ASX.

(iii) *Directors*

Wide Bay intends to replace all members of the MPBS Board and of any company in respect of which MPBS has nominee directors with Wide Bay nominees.

(iv) Brand

Wide Bay intends to re-brand MPBS branches and products to reflect Wide Bay's ownership of MPBS.

(v) Head office

Wide Bay intends to locate a regional office at MPBS's head office in Mackay, with responsibility for Wide Bay's northern and western Queensland operations. This regional office is likely to be substantially smaller than MPBS's head office function.

(vi) Branch network

Wide Bay intends to carefully examine the overlap of the Wide Bay and MPBS branch and agency networks. Where overlaps exist and a branch or agency should sensibly be closed, it is Wide Bay's intention to do so.

Wide Bay notes that where an overlap occurs, it may not necessarily be the MPBS branch or agency that is closed. It is Wide Bay's intention that the best branch or agency be kept in any overlap situation, regardless of whether it is currently owned or operated by MPBS or Wide Bay.

To the extent that a non-overlapping branch or agency is not considered strategic, Wide Bay's intention is that it should be closed.

(vii) Product offering

Over time, it is Wide Bay's intention to merge the product suites of Wide Bay and MPBS. This may include ceasing to offer certain MPBS products.

Wide Bay also intends to identify ways in which Wide Bay's more comprehensive product and service offering may be offered to MPBS customers.

(viii) Operations

It is Wide Bay's intention to conduct a detailed review of MPBS's:

- sales, marketing and technical functions;
- information technology platforms and systems; and
- contractual arrangements.

The intention of the detailed review will be to identify and attempt to realise all potential synergies that may result from merging the operations of Wide Bay and MPBS, to the extent they may be merged.

(ix) Employees

It is unfortunate but inevitable that the activities outlined above will result in some functions and positions at MPBS and Wide Bay becoming redundant. Until Wide Bay has completed the detailed review referred to above, Wide Bay will not be in a final position to determine the employees whose functions may be redundant or the timing of any redundancies.

To the extent that it is possible to reassign affected employees, it is Wide Bay's intention to do so.

Employees who are made redundant will receive payments and other benefits in accordance with their contractual and other legal entitlements.

(b) Intentions upon acquisition of less than 90% of MPBS Shares

This section sets out Wide Bay's current intentions if it was to declare the Offer free from the 80% minimum acceptance condition but by virtue of acceptances of the Offer, it acquires less than 90% of the MPBS Shares although it was to still gain effective control of MPBS.

(i) ASX listing

Unless a sufficient spread of MPBS Shareholders remains after completion of the Offer, Wide Bay intends to arrange for MPBS to be removed from the official list of the ASX.

(ii) Directors

Depending on the level of ownership achieved, it is Wide Bay's intention to replace all members of the MPBS Board and of any company in respect of which MPBS has nominee directors with Wide Bay nominee directors.

(iii) Intentions with respect to matters at 6.1(a)(iv) to (ix) above

If, following the close of the Offer, MPBS becomes a controlled entity but not a wholly owned subsidiary of Wide Bay, it is the present intention of Wide Bay to attempt to procure that the newly installed MPBS Board implements the objectives and goals outlined in Section 6.1(a)(iv) to (ix) to the extent possible and appropriate.

(iv) Limitations on intentions

To the extent that MPBS is not a wholly owned subsidiary of Wide Bay and there are minority shareholders of MPBS, Wide Bay intends that the Wide Bay nominees appointed to the MPBS Board will act at all times in accordance with their fiduciary duties and that all requisite shareholder approvals and other legal requirements are complied with in pursuing any of the intentions outlined above.

Those requirements may require the approval of minority shareholders to the implementation of any particular objective.

The requirement to have regard to those fiduciary duties in the context of a partly owned company and the possible requirements of minority shareholder approval may prevent the particular objective being achieved.

(c) Intentions generally

Except for the changes and intentions set out in this Section 6, Wide Bay intends, based on the information presently known to it:

- to continue the business of MPBS;
- not to make any major changes to the business of MPBS or the deployment of MPBS's assets; and
- to continue the employment of MPBS's employees.

(d) Future strategy

The proposed board of the Merged Group intends to implement Wide Bay's corporate strategy which is to:

- continue to grow operational areas through the expansion of the branch network on a controlled basis;
- continue with a policy of full documentation and not offering sub-prime, low-doc loans, or reverse mortgages;
- continue with mortgage insuring residential mortgage backed securities (RMBS) with rated captive mortgage insurer – Mortgage Risk Management;
- develop the Wide Bay margin loan product with Financial Technology Securities;
- grow margin lending with accredited financial planners;
- grow Wide Bay's financial planning operations interstate;
- develop as a preferred lender of the Aviva owned and Navigator Australia Limited operated, Navigator Personal Investment Plan;
- utilise retail deposits and ANZ warehouse trusts for funding of lending operations; and
- monitor further acquisition opportunities.

6.2 Merged Group Board

It is Wide Bay's intention that the Merged Group Board would comprise existing Wide Bay Board members. The Wide Bay Board comprises the following people:

(a) Mr John F Pressler (Chairman)

Mr Pressler is a prominent figure in Emerald's agricultural and horticultural industries and is the Chairman of the listed company, Lindsay Australia Ltd. He is a director of Mortgage Risk Management.

(b) Mr Ronald E Hancock (Managing Director)

Mr Hancock was a foundation director and manager of the Burnett Permanent Building Society formed in 1966, which subsequently merged with other Queensland societies to form Wide Bay Capricorn Building Society Ltd, subsequently Wide Bay Australia Ltd. Mr Hancock was a practising Chartered Accountant for 32 years and is a member of the Institute of Chartered Accountants and a director of Financial Technology Securities and Mortgage Risk Management.

(c) Mrs Frances M McLeod (Executive director)

Mrs McLeod is currently Executive Manager of Wide Bay and has been involved with the company for over 30 years. She is a director of Mortgage Risk Management.

- (d) Mr John H Fell (Non-executive director)

Mr Fell was a director and secretary of the Gympie and North Coast Building Society from 1976 until its merger with Wide Bay in 1981. He is Chairman of Mortgage Risk Management and was a practising Chartered Accountant for many years. He is a member of the Institute of Chartered Accountants.

- (e) Mr Peter J Sawyer (Non-executive director)

Mr Sawyer is a partner of the firm, Ulton, Chartered Accountants of Bundaberg, Hervey Bay, Maryborough and Gladstone. He is involved in a wide range of business activities. Mr Sawyer is Chairman of the Audit Committee.

6.3 Corporate governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Wide Bay Directors support and adhere to the principles of corporate governance. This dedication to high quality corporate governance would continue under the Merged Group.

The Wide Bay Board is responsible for the corporate governance of the Wide Bay Group. The Wide Bay Board guides and monitors the business and affairs of Wide Bay on behalf of Wide Bay Shareholders by whom they are elected and to whom they are accountable.

Wide Bay's Corporate Governance Statement and associated policies have been developed with regard to the ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations" and APRA standards.

The Wide Bay Board has established an audit committee and remuneration committee. It is the Wide Bay Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to monitor, identify and manage relevant risk and to deal with both the effectiveness and efficiency of significant business processes, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.

The performance of the Wide Bay Board and key executives is reviewed regularly. The performance criteria against which Directors and executives are assessed is aligned with the financial and non-financial objectives of Wide Bay. Wide Bay Directors whose performance is consistently considered unsatisfactory may be sanctioned.

For further information on corporate governance policies adopted by Wide Bay, refer to the corporate governance section of Wide Bay's website: www.widebayaust.com.au.

6.4 Dividend policy

Wide Bay's dividend policy is determined by Wide Bay's Directors based on the amount of net profit after tax and the need to retain sufficient capital to support Wide Bay's operations. Wide Bay's history of paying fully franked dividends is currently expected to continue post merger, subject to the availability of sufficient profits and franking credits.

For the financial years ended 30 June 2006 and 2007, Wide Bay distributed 91.7% and 92.9%, respectively, of net profit after tax in the form of fully franked dividends. For the financial year ending 30 June 2008, Wide Bay is once again forecasting a dividend payout ratio of more than 90%, or \$0.66 per share, fully franked. This represents a 10% increase on dividends declared in respect of the 2007 financial year.

In future years, the Wide Bay dividend policy will be a decision for the Wide Bay Board at the time and will reflect a range of factors. No assurance can be given as to the

timing, extent and payment of dividends, or the level of franking, as they are dependent on profitability, capital requirements and the general financial position and outlook of Wide Bay.

6.5 Earnings profile

In Section 4.8, Wide Bay has provided a financial forecast for the year ending 30 June 2008 showing an increase in net profit after tax of 12.00% to \$18.22 million.

In addition to Wide Bay's forecast net profit after tax, the earnings profile of the Merged Group for the year ending 30 June 2008 will be a function of various items including:

- MPBS's forecast net profit after tax;
- the cost and revenue synergies resulting from the merger of Wide Bay and MPBS;
- the nature and quantum of any finite life intangible assets emerging from the merger;
- transaction costs (including the break fee of \$0.56 million which may arise under the terms of the BOQ Proposal due to the acquisition of MPBS Shares by Wide Bay under the Offer); and
- integration costs.

MPBS has not published a financial forecast for the year ending 30 June 2008. Further, as discussed in Section 6.1, Wide Bay has not yet been able to undertake a detailed review of the operations, assets, structure and employees of MPBS and is thus unable to reliably estimate amounts for the items listed above. Accordingly, Wide Bay is unable to provide a financial forecast for the Merged Group.

6.6 Pro forma balance sheet assuming Wide Bay acquires 100% of MPBS

(a) Background

This Section contains pro forma information to illustrate the financial position of the Merged Group, assuming Wide Bay acquired 100% of MPBS as at 30 June 2007.

This Section should be read in conjunction with the risks described in Section 7 and other information contained in this Bidder's Statement.

The pro forma balance sheet is unaudited, although it has been based on the audited balance sheets of Wide Bay and MPBS as at 30 June 2007 with pro forma adjustments applied.

The unaudited pro forma balance sheet set out in this Section is for illustrative purposes only and is based on numerous assumptions that may or may not reflect the actual financial position of Wide Bay following the merger. In addition, this pro forma balance sheet is presented in a summary format and does not contain all of the disclosures required under the Corporations Act.

(b) Pro forma balance sheet – 100% Shares Alternative

The pro forma balance sheet has been compiled based on the following information:

- the audited, consolidated balance sheet of Wide Bay as at 30 June 2007 as presented in Wide Bay's Annual Report for the financial year ended 30 June 2007;

- the audited, consolidated balance sheet of MPBS as at 30 June 2007 as presented in MPBS's Annual Report for the financial year ended 30 June 2007; and
- pro forma adjustments and key transaction assumptions as set out in Section 6.6(c).

Pro forma balance sheet of Merged Group as at 30 June 2007 assuming 100% Shares Alternative consideration

(\$ million)	Pro forma MPBS as at 30 June 2007	Wide Bay as at 30 June 2007	Adjustment	Merged Group as at 30 June 2007
Assets				
Cash and cash equivalents	13.21	50.07	(2.34)	60.94
Receivables	30.75	13.58	-	44.33
Investments	2.95	91.41	-	94.36
Loans and advances	291.71	1,548.33	-	1,840.04
Property, plant and equipment	5.03	17.33	-	22.36
Goodwill	-	-	49.69	49.69
Other Assets	1.85	10.70	-	12.55
Total Assets	345.50	1,731.42	47.35	2,124.27
Liabilities				
Deposits	316.06	830.99	-	1,147.05
Acquisition funding	-	-	-	-
Payables and other liabilities	5.09	25.17	-	30.26
Securitized loans	-	758.39	-	758.39
Other Liabilities	10.98	24.35	-	35.33
Total Liabilities	332.13	1,638.90	-	1,971.03
	-	-	-	-
Net Assets	13.37	92.52	47.35	153.24
Equity				
Contributed equity	9.84	59.62	50.88	120.34
Retained profits	2.38	18.81	(2.38)	18.81
Reserves	1.15	14.48	(1.15)	14.48
Outside equity interest	-	(0.39)	-	(0.39)
Total Equity	13.37	92.52	47.35	153.24

Notes:

- MPBS cash balance and retained profits reduced by dividend of \$1.00 per MPBS Share that MPBS is proposing to pay MPBS Shareholders under the BOQ Proposal, MPBS transaction costs and a break fee payable to BOQ. This reduction includes the dividend payable on shares owned by Wide Bay as at 29 October 2007.
- MPBS liabilities reduced by value of convertible preference shares and contributed equity increased by value of converted preference shares.

(c) Pro forma adjustments and transaction assumptions

The pro forma balance sheet has been prepared by summing each individual category of asset and liability and then applying a number of adjustments to reflect the effect of the transaction.

The transaction assumptions and specific adjustments that were made to the aggregated combined position of Wide Bay and MPBS to reflect a pro forma position of the Merged Group as at 30 June 2007 are set out below:

- *Accounting policies.* No material differences have been identified between the accounting policies of Wide Bay and MPBS. Accordingly, no adjustments have been made in the pro forma balance sheet.
- *Purchase consideration.* Accounting standards AASB3 Business Combinations requires Wide Bay to measure the cost of the acquisition of MPBS at the aggregate of the fair value of assets, liabilities and equity issued by Wide Bay in exchange for control of MPBS at the date the exchange occurs. Transaction costs payable by Wide Bay have been included in the acquisition cost. In accordance with accounting standards, the fair value of Wide Bay Shares will be determined as the published market price on the date of the acquisition. For the purposes of calculating the cost of acquisition, a value of \$12.80 per Wide Bay Share has been used for the MPBS Shares that Wide Bay does not currently own. To the extent the Wide Bay Share price changes, the cost of acquisition and accordingly the value of intangible assets acquired will change.
- *MPBS issued capital.* The pro forma balance sheet assumes 6,021,553 MPBS Shares are on issue, including 272,791 ordinary shares that were issued on or about 1 November 2007 on the conversion of \$2.72 million of MPBS Converting Preference Shares.
- *Wide Bay's MPBS Shareholding as at 29 October 2007:* As at 29 October 2007, Wide Bay owned 91,117 MPBS Shares. The pro forma balance sheet has been adjusted for the acquisition of these shares that took place prior to this Offer, but after 30 June 2007 (see Section 5.4). The cash balance of the Merged Group has been reduced by \$0.64 million to reflect the cash outlay by Wide Bay to acquire these shares.
- *Purchase price.* The pro forma balance sheet assumes that 98.49% of MPBS Shares were acquired under the Shares Alternative with 1.51% previously acquired for cash by Wide Bay. The pro forma balance sheet also assumes that a \$1.00 dividend is paid by MPBS on all MPBS Shares. A Wide Bay Share price of \$12.80 (being the Wide Bay closing share price on 26 October 2007) has been assumed giving a total offer price for the 98.49% of \$60.73 million (plus Wide Bay transaction costs of approximately \$1.70 million). The pro forma balance sheet assumes that none of the options over MPBS Shares under the Option Agreements have been exercised.
- *MPBS dividend.* The cash balance of MPBS as at 30 June 2007 has been reduced by the \$1.00 dividend per MPBS Share that MPBS is proposing to pay MPBS Shareholders. Further, it has been assumed that the MPBS Converting Preference Shares were converted to MPBS Shares prior to the payment of this dividend.
- *Intangibles.* Wide Bay is not currently in a position to assess the fair value of the tangible assets or identify separately identifiable intangible assets. The excess of the cost of the acquisition of MPBS over and above Wide Bay's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities should be recognised as intangible assets and goodwill. The goodwill may only be quantified once the transaction occurs. Similarly, the identification and valuation of intangible assets, including the breakdown between finite and

infinite life intangibles, will not be possible until after completion of the transaction. Accounting standards allow a period of 12 months to finalise provisional accounting adjustments from the date of acquisition.

For the purposes of the pro forma balance sheet, total intangible assets, including goodwill, relating to the acquisition of 100% of MPBS have been calculated at \$49.69 million. This entire amount has been shown as goodwill on the pro forma balance sheet with the amount expected to change once the fair value of all assets, liabilities and contingent liabilities acquired are determined as at the acquisition date.

For the purposes of calculating the intangible assets and goodwill for the Merged Group on consolidation, the book value of MPBS's assets and liabilities, as reported in the audited accounts as at 30 June 2007, are assumed to be equal to their fair value at the date of acquisition.

- *Synergies.* Significant cost savings are expected to be generated from the combination of the Wide Bay and MPBS businesses. Synergies are expected to be realised from branch closures, back office consolidation, elimination of IT duplication, head office savings and redundancies. In addition, Wide Bay also expects revenue synergies to be generated from the distribution of additional Wide Bay products and services to MPBS's customers.

Until such time as Wide Bay has completed the review of the operations, assets, structure and employees referred to in Section 6.1, it is unable to reliably identify and quantify those synergies. Therefore, no synergies have been included in the pro forma balance sheet.

- *Integration costs.* No adjustment has been made to the pro forma balance sheet for the impact of integration costs related to the transaction.
- *Transaction costs.* The Merged Group pro forma balance sheet assumes Wide Bay incurs \$1.70 million in transaction costs. The MPBS pro forma balance sheet assumes that MPBS incurs \$1.41 million in transaction costs including a break fee payable to BOQ of \$0.56 million which may arise under the terms of the BOQ Proposal due to the acquisition of MPBS Shares by Wide Bay under the Offer).
- *Income tax.* Transaction costs incurred by Wide Bay on the acquisition of MPBS would be included in the calculation of the MPBS cost base of MPBS. If Wide Bay's acquisition of MPBS is successful, this cost base would then be used to set the tax cost of the individual assets of MPBS upon inclusion of MPBS in the tax consolidated group.

(d) Pro forma balance sheet – alternative funding scenarios

The following table shows the pro forma position of the Merged Group, should two alternative transaction scenarios eventuate:

- (A) 100% acceptance of the Cash Alternative by MPBS Shareholders.
- (B) 50% acceptance of the Cash Alternative and 50% acceptance of the Shares Alternative by MPBS Shareholders.

Pro forma balance sheet for Merged Group as at 30 June 2007 assuming alternative levels of offer consideration

(\$ million)	Scenario A	Scenario B
	Assuming 100% of MPBS Shareholders elect Cash Alternative	Assuming 50% of MPBS Shareholders elect Cash Alternative
Assets		
Cash and cash equivalents	60.95	60.95
Receivables	44.33	44.33
Investments	94.35	94.35
Loans and advances	1,840.04	1,840.04
Property, plant and equipment	22.36	22.36
Goodwill	38.79	44.24
Other assets	12.55	12.55
Total Assets	2,113.37	2,118.82
Liabilities		
Deposits and short term borrowings	1,147.05	1,147.05
Acquisition funding	49.82	24.91
Payables and other liabilities	30.26	30.26
Securitised loans	758.39	758.39
Other liabilities	35.33	35.33
Total Liabilities	2,020.85	1,995.94
Net Assets	92.52	122.88
Equity		
Contributed equity	59.62	89.98
Retained profits	18.81	18.81
Reserves	14.48	14.48
Outside equity interest	(0.39)	(0.39)
Total Equity	92.52	122.88

6.7 Capital management post merger

The Wide Bay Board constantly monitors its capital position to ensure it remains above minimum regulatory requirements. Following the implementation of the acquisition, Wide Bay expects to be capitalised above minimum regulatory requirements.

Should 100% of MPBS Shareholders elect to receive the Cash Alternative, Wide Bay will require access to cash funding of approximately \$55.75 million. This cash funding would come from the undrawn component of a \$600 million funding facility Wide Bay has with ANZ Investment Bank as well as Wide Bay's own cash resources (refer Section 9.5).

Depending on the total cash consideration paid to MPBS shareholders, Wide Bay's capital adequacy levels will be impacted. The following table sets out Wide Bay's

resulting level of capital adequacy assuming different percentages of the Offer requiring cash funding.

Percentage of Offer funded by cash	Wide Bay's resulting capital adequacy
0.00%	13.82%
25.00%	12.15%
50.00%	10.44%
75.00%	8.70%
100.00%	6.93%

If 57% or more of the Offer is funded by cash, Wide Bay's capital adequacy levels would drop below the 10% minimum regulatory requirement prescribed by APRA (refer Section 9.13). Should this occur, Wide Bay would seek to raise additional equity through a placement of new Wide Bay Shares as soon as practicable and in consultation with APRA. However, given that the Shares Alternative is 19.57%¹³ higher than the Cash Alternative (which should result in more MPBS Shareholders choosing the Shares Alternative), there is no reasonable prospect of 57% or more of the Offer having to be funded by cash.

The maximum placement Wide Bay would need to undertake to maintain its capital adequacy levels to 10%, assuming a 100% cash funded offer, would be \$22 million. Based on feedback from a recent roadshow to institutional investors and brokers, Wide Bay is confident that it could, in the event it was required, raise this level of equity funding at a small discount to its prevailing share price.

In the event Wide Bay has to place shares at a greater discount to its prevailing share price, it would have a dilutionary effect on the value of Wide Bay Shares.

6.8 Wide Bay's accounting policies

The following policies have been identified as key accounting policies for Wide Bay and have been extracted from Wide Bay's audited financial statements for the full year ended 30 June 2007. This Bidder's Statement does not present a full set of financial statements.

The financial report on which the above financial information is based has been prepared on a historical cost basis, except for land and buildings, derivative financial instruments and available-for-sale financial assets that have been measured at fair value.

Wide Bay's financial report complies with Australian Accounting Standards, which include AIFRS. Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

¹³ Based on the Wide Bay closing share price of \$12.80 on 26 October 2007.

The financial report covers the consolidated group of Wide Bay and controlled entities, ("consolidated entity/economic entity") and Wide Bay as an individual parent entity ("the society"). Wide Bay is a listed public company, incorporated and domiciled in Australia.

a) Principles of consolidation

A controlled entity is any entity Wide Bay has the power to control the financial and operating policies of so as to obtain benefits from its activities.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent company.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item.

b) Income tax

The economic entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

c) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation periods used for each class of depreciable assets are:

- Buildings - 40 years
- Plant and equipment - 4 to 6 years
- Leasehold improvements - 4 to 6 years or the term of the lease, whichever is the lesser

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

e) Financial instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

f) Investments in associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting where significant influence is exercised over an investee. Significant influence exists where the investor has the power to participate in the financial and operating policy decisions of the investees but does not have control or joint control over those policies.

The financial statements of the associate are used by the group to apply the equity method. The reporting dates of the associate and the group are identical and both use consistent accounting policies.

The investment in the associate is carried in the consolidated balance sheet at cost plus post-acquisition changes in the group's share of net assets of the associate, less any impairment in value. The consolidated income statement reflects the group's share of the results of operations of the associate.

Where there has been a change recognised directly in the associate's equity, the group recognises its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity.

g) Intangibles

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

h) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

i) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

j) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

l) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.

Interest is recognised as it accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Dividend revenue is recognised when the shareholder's right to receive the payment is established.

Fees and commissions are recognised as revenue or expenses on an accrual basis.

Premium Revenue - Mortgage Risk Management

Premiums have been brought to account as income from the date of attachment of risk. Direct Premiums comprise amounts charged to the policy holder, excluding stamp duties collected on behalf of the statutory authorities. The earned portion of premiums received and receivable is recognised as revenue.

m) Loans and advances – doubtful debts

The society has extended its lending to incorporate limited fully secured commercial lending and continues to insure the majority of new mortgage loans approved, in particular in excess of 75% loan-to-value ratios, with the society's wholly owned subsidiary, Mortgage Risk Management, a registered lender's mortgage insurer.

There are no loans on which interest is not being accrued and no specific provision for doubtful debts for any type of loan.

Specific provisions for doubtful debts and write-off of debts are in respect of overdrawn savings accounts, leases and relevant non recoverable amounts.

n) Loans and advances - change in accounting policy - loan origination fees

The society incurs loan origination fees on loans sourced from brokers and some agencies. In prior financial periods these origination fees have been recognised immediately as an expense in the income statement. With the introduction of commercial loan and margin loan products during the financial year to 30 June 2007, and an expectation that the loans from brokers will increase, the directors resolved to capitalise loan origination fees and write each individual fee off over a period of 4 years. Origination fees are written off immediately where the loan for which the fee was incurred is paid out.

The change in accounting policy had the following impact on these financial statements:

Income Statement for the year ended 30 June 2007

A decrease in brokers fees expense charge to the income statement of \$589,882. An increase in the earnings per share of 1.80 cents (basic) and 1.65 cents (diluted).

Balance Sheet at 30 June 2007

Recognition of capitalised loan origination fees of \$589,882.

There has been no change to prior year profit and loss as a result of the change in accounting policy. The directors considered the calculation of prior year adjustments and amendment of prior year results to be impractical, considering the cost and time to recalculate the balance in prior periods.

The following Australian Accounting Standards have been issued or amended and are applicable to the parent and consolidated group but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment

Standards affected

AASB 2005-10:
Amendments to
Australian Accounting
Standards

AASB 1: First time adoption of AIFRS
AASB 4: Insurance Contracts
AASB 101: Presentation of Financial Statements

AASB 114: Segment Reporting
AASB 117: Leases
AASB 133: Earnings per Share
AASB 1023: General Insurance Contracts
AASB 1038: Life Insurance Contracts
AASB 139: Financial Instruments: Recognition
and Measurement

AASB 7: Financial Instruments: Disclosures AASB 132: Financial Instruments: Disclosure and
Presentation

The disclosure requirements of AASB 132: Financial Instruments: Disclosure and Presentation have been replaced due to the issuing of AASB 7: Financial Instruments: Disclosures in August 2005.

These amendments will involve changes to financial instrument disclosures within the financial report. However, there will be no direct impact on amounts included in the financial report as it is a disclosure standard.

Application Date of Standards	1 January 2007
Application Date for Group	1 July 2007

o) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

p) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Section 7 Risk factors

7.1 Introduction

In deciding whether or not to accept the Offer, you should read this entire Bidder's Statement carefully. You should also carefully consider the risk factors outlined in this Section. The future performance of Wide Bay and the Merged Group and the future investment performance of their respective securities may be influenced by a wide range of factors, many of which are outside the control of Wide Bay and the Merged Group. The future value of Wide Bay and the Merged Group and the prices at which their respective securities trade on the ASX may be influenced by some or all of these factors. Set out below is a summary of the material risk factors.

7.2 Risk factors that pertain to the general economy and stock market

Changes in global economic conditions (including changes in interest rates, inflation, foreign exchange rates and labour costs) as well as general trends in the Australian and overseas equity markets may affect the trading price of Wide Bay Shares on the ASX.

The Wide Bay Shares which form the Offer do not carry any guarantee with respect to market value, payment of dividends or return of capital. As the holding of Wide Bay Shares involves certain risks, persons in doubt as to the course they should follow should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

The Wide Bay Directors emphasise that the risk factors set out in this Section may not be the only risk factors that could affect the operations of Wide Bay, its financial position and the value of its securities.

(a) Currency fluctuations

The future value of Wide Bay's listed securities (including the Wide Bay Shares to be issued pursuant to the Offer) may fluctuate in accordance with movements in the foreign currency exchange rates.

(b) Stock market fluctuations

The market price of Wide Bay Shares will be subject to varied and often unpredictable influences on the stock market generally.

(c) Government policy and taxation

Changes in relevant taxation laws, interest rates, other legal, legislative and administrative regimes, and government policies in Australia, may have an adverse effect on the assets, operations and ultimately the financial performance of both Wide Bay and the entities in which Wide Bay invests. These factors may ultimately affect the financial performance of Wide Bay and the market price of Wide Bay Shares.

7.3 Risk factors that affect Wide Bay's industry type

The Merged Group will be exposed to a range of risks specific to the banking industry. The Merged Group will apply various mitigation strategies, however it is possible that the group's performance or underlying capital may be adversely affected by these risks.

(a) Credit risk

Credit risk is the risk that a borrower (or counterparty to a transaction) fails to fulfil its loan obligations or payments are delayed.

Wide Bay has a wholly owned lenders mortgage insurance business, Mortgage Risk Management. The operations of this business increase Wide Bay's credit risk exposure.

Wide Bay has a number of credit assessment and collection policies in place, aimed at minimising exposure and loss from credit risk. Wide Bay assesses credit risk of borrowers prior to lending and during FY2007, had a relatively low level of impaired assets, with \$18,297 written off as bad debts during the period. If the Offer is successful, it is intended that Wide Bay would continue to apply its strict lending and risk management policies to the MPBS portfolio to reduce credit risk in its portfolio.

(b) Liquidity and solvency risk

Liquidity risk is the risk that the Merged Group's financial performance or capital may be adversely affected if it is unable to fulfil its financial obligations due to an inability to source adequate funding or if it is forced to liquidate assets at a loss. Solvency risk arises from the possibility that the Merged Group may have insufficient assets to cover its liabilities and is therefore the overall risk of the Merged Group defaulting on its obligations.

To assist in the mitigation of these risks, Wide Bay maintains a capital adequacy in excess of the minimum regulatory requirements. For the year ended 30 June 2007, Wide Bay's capital adequacy was 13.85%.

(c) Market risk

Market risk is the risk that the Merged Group's financial performance or capital may be adversely affected by movements in general economic conditions and factors including foreign exchange rates and equity prices. Financial institutions are exposed to this risk due to the trading assets held and where equity is held as collateral.

(d) Interest rate risk

Interest rate risk is the risk to financial performance or capital arising from movements in interest rates. The Merged Group's performance may be sensitive to changes in interest rates from the difference in rates and the timing of cash flows on assets and liabilities. Fee income may also be affected by changes in interest rates.

(e) Operational and compliance risk

Operational risk is the risk of adverse financial performance due to inadequate or breaches of internal controls, deficient information systems or operational procedures, fraud, error or unforeseen events that may cause losses. All financial institutions are exposed to this risk.

Wide Bay has risk management and governance procedures, policies, training and internal controls in place aimed at minimising losses from operational risk in the banking industry.

(f) Competition

The Australian banking industry, in which Wide Bay operates, is highly competitive. Wide Bay believes that competition from both bank and non-bank institutions is more likely to increase than decrease. While greater competition has been factored into the Director's forecasts, there is a risk that competitive forces could impact Wide Bay more than anticipated. This could lead to Wide Bay failing to achieve forecast growth or result in reduced profitability because of lower fees or margins. Increased competition, and particularly competitors offering comparable products at lower margins, could result in existing Wide Bay customers leaving Wide Bay for other financial institutions.

(g) Consumer legislation and regulation

As a provider of credit for individuals, Wide Bay is subject to consumer legislation, including the Consumer Credit Code, the Australian Securities and Investments Commission Act 2001 (Cwlth), the Privacy Act 1998 (Cwlth), the Trade Practices Act 1974 (Cwlth), State fair trading legislation and the Credit Reporting Code of Conduct. The regulatory regime governing Wide Bay is subject to change. Wide Bay cannot predict what legislative or regulatory changes will be made in the future, or the impact of future legislative or regulatory change on its business. Changes in laws, regulations and interpretation of those laws and regulations, may positively or negatively affect Wide Bay.

(h) Increased cost of funding

Recent developments in the United States sub-prime mortgage industry have affected the liquidity of global credit markets. This has resulted in an increase in the cost of wholesale funds throughout global markets including Australia. Should these conditions continue it is likely that the cost of funds to participants in the banking industry will rise putting pressure on interest rate margins unless and until the increase in funding costs are passed on to customers.

7.4 Specific risk factors that affect the Merged Group

Set out below are some of the key risks attaching to an investment in the Merged Group which have been identified by Wide Bay as potentially affecting the performance of the Merged Group, the ability of the Merged Group to pay or frank dividends and the value of the securities of the Merged Group. Some of these risks can be mitigated using appropriate safeguards, controls and systems, but others are outside the control of the Merged Group and the Directors and cannot be mitigated.

(a) Dependence on key personnel

Wide Bay's performance is reliant on a number of key personnel employed by Wide Bay and its ability to attract and retain quality staff. The loss of staff members could potentially have an adverse impact on Wide Bay's performance. To mitigate this risk, incentives are in place to attract and retain quality staff.

(b) Liquidity of Merged Group shares

Since listing, both MPBS's and Wide Bay's shares have experienced lower relative trading volumes than some other securities listed on the ASX. This lower level of liquidity can result in an increased bid-ask spread when shareholders wish to exit their investment. The Merged Group's shares may

also exhibit lower trading volumes than some other securities on the ASX, however trading volumes may increase due to the increased size and shareholder base of the Merged Group.

(c) Geographic concentration of operations

A potential risk to the Merged Group's performance arises from the geographical concentration of the group's operations within Queensland. If the Queensland economy suffers a downturn or the Merged Group is exposed to other adverse circumstances that are specific to Queensland, the Merged Group's performance may be adversely affected.

(d) Access to funding

Wide Bay has in place a \$600 million securitisation warehouse facility with the ANZ Investment Bank, a division of the Australian and New Zealand Banking Group Limited, which is used to operate its business. The facility together with retail deposits and cash flow, is sufficient for funding Wide Bay's liquidity requirements for the next 12 months. At the end of this period, Wide Bay is required to refinance the facility via a term out public issue. If Wide Bay does not refinance the facility or is unable to term out the facility on equivalent terms, Wide Bay's funding costs may increase. This may have an adverse impact on the financial performance of Wide Bay.

7.5 Risk factors that arise from the Offer

(a) Issue of Wide Bay Shares as Consideration

Under the Offer, Wide Bay will offer a significant number of its shares. If MPBS Shareholders who receive Wide Bay Shares under the Offer or current Wide Bay Shareholders do not wish to hold shares in the Merged Group and seek to sell their shares, this may have a material adverse effect on the Merged Group and the price of Wide Bay Shares. Further, Wide Bay Shares issued to Ineligible Foreign Shareholders will be sold on the ASX (refer to Section 9.3). The sale of these Wide Bay Shares could also have a material adverse effect on the Merged Group and the price of Wide Bay Shares.

(b) Merger integration risks

Integrating two companies such as Wide Bay and MPBS may produce some risks, including integrating management, information systems and work practices. Greater than expected integration costs could have a material adverse effect on the Merged Group.

(c) Less than 80% ownership

The Offer is subject to an 80% minimum acceptance condition. This condition may be waived by Wide Bay. If Wide Bay should acquire less than 80% of MPBS, those MPBS Shareholders who elect to receive Wide Bay Shares under this Offer will not receive capital gains tax rollover relief and may be required to pay capital gains tax on the disposal of their MPBS Shares.

(d) Taxation risks

The tax consequences and risks of the Offer depend upon the specific circumstances of each MPBS Shareholder. MPBS Shareholders should obtain their own professional taxation advice regarding the applicable law in respect of the Offer.

(e) Less than 90% ownership

Wide Bay requires acceptances from 90% of MPBS Shareholders before it can move to compulsorily acquire the remaining 10%. If Wide Bay achieves less than 90% acceptances and the Offer closes, MPBS may remain a listed entity. Depending on the level of Wide Bay's ownership, the liquidity of MPBS Shares, or ability to trade MPBS Shares at a price close to the last traded price, may be materially reduced. It is possible that the MPBS Share price will fall.

(f) Capital adequacy

Depending on the level of acceptances of the Offer and the number of MPBS Shareholders who elect to receive the Cash Alternative Wide Bay may need to issue further shares in Wide Bay to comply with regulatory requirements (refer Section 6.7). Should this be necessary these shares may be issued at a discount to the then prevailing market price of Wide Bay Shares and this may have a material adverse effect on the price of Wide Bay Shares.

Section 8 Taxation considerations

CHARTERED
ACCOUNTANTS
& BUSINESS
ADVISORS

A MEMBER OF
MOORES ROWLAND
INTERNATIONAL

14 November 2007

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TAXATION OPINION – OFFER FOR PURCHASE OF SHARES

Wide Bay Australia Ltd ("Wide Bay"), has made an offer for the shares of Mackay Permanent Building Society Ltd ("MPBS") dated on or about 15 November 2007. We have been requested to provide our opinion on the tax consequences for the MPBS shareholders of accepting the offer.

This document does not constitute tax advice. Our comments are general in nature. Shareholders should obtain their own independent advice on their individual circumstances in relation to the taxation consequences of acceptance of the bid offer.

Australian income tax legislation changes constantly. The statements in this document are based on the rules in place at the time of signing the document.

1. Details of bid

Shareholders of MPBS can choose to receive \$9.40 in cash for each MPBS share, or to receive 0.80 Wide Bay shares plus \$1.00 for each MPBS share. Any dividend paid by MPBS will be deducted from the bid price. MPBS has proposed to pay a fully franked dividend of \$1.00 per MPBS share to MPBS shareholders. Therefore, if the proposed \$1.00 dividend is paid, the net bid price will be \$8.40 in cash or will be 0.80 Wide Bay shares for each MPBS share.

2. Taxation Effects of the Sale of MPBS Shares

2.1 Shares held on capital account

The disposal of MPBS shares under the Wide Bay offer will be a CGT event, and capital gains tax will potentially be applicable to the disposal. If the Shares Alternative is chosen, roll-over relief may apply (see 2.1.2 below).

2.1.1 The Cash Alternative

If MPBS shares are held on capital account and are sold for cash, a capital gain will arise if the cost base of the shares is less than the cash consideration. A capital loss will arise if the cost base of the shares is more than the cash consideration.

The consideration will be \$9.40, per MPBS share, less the amount of the dividend. Assuming that the proposed \$1.00 dividend is paid, the cash consideration for tax purposes will be \$8.40.

The cost base of the MPBS shares will generally be made up of the purchase price plus the incidental costs of acquisition.

2.1.2 The Shares Alternative

If the Shares Alternative is chosen, the capital proceeds for the purpose of calculating the capital gain or loss will be based on the value of the Wide Bay shares at the time of acceptance of the offer, plus the net cash received. The net cash received will be \$1.00 per share, less any dividend paid to the MPBS shareholder. If the dividend is \$1.00 as proposed, the net cash received will be nil, and the capital proceeds will be equal to the value of the Wide Bay shares.

2.1.2.1 Scrip for scrip roll-over

A CGT "roll-over" can be chosen by shareholders who accept the Shares Alternative. If no net cash is received, the shareholder can choose a full roll-over. If some cash consideration is received, a partial rollover will be available.

Full roll-over

A full "scrip for scrip" roll-over means that no CGT will be payable on the exchange of MPBS shares for Wide Bay shares. Any potential gain will be deferred until the subsequent disposal of the Wide Bay shares. The cost base of the MPBS shares will be allocated to the replacement Wide Bay shares.

The acquisition date of the replacement Wide Bay shares for CGT purposes will be the acquisition date of the original MPBS shares. The acquisition date will be relevant for the purposes of the CGT discount on the subsequent disposal of the Wide Bay shares.

A condition of Wide Bay's offer is that it acquires 80% of the shares in MPBS. The scrip for scrip roll-over will not be available unless Wide Bay obtains at least 80% of the voting shares of MPBS. Therefore, if the intended 80% target is reached, the scrip for scrip roll-over relief will be available.

If Wide Bay chooses to waive the 80% minimum acceptance condition and acquires less than 80% of the MPBS voting shares, the scrip for scrip roll-over will not be available.

The roll-over is available to individuals, companies and superannuation funds.

The roll-over is not available if the disposal of the MPBS shares would result in a capital loss, or if the MPBS shares are held as trading stock.

If the roll-over is not available, the capital proceeds on which the capital gain or loss will be calculated is based on the market value of the Wide Bay shares at the time that the offer is accepted.

Partial roll-over

If MPBS do not pay a dividend, or pay a dividend of less than \$1.00, the bid price under the Shares Alternative will include a cash component. The scrip-for-scrip roll-over will not be

available for the cash component of the bid price. The roll-over will only be available for the scrip component of the share price.

For example, if the dividend is 60 cents, the cash component will be 40 cents. If 0.80 of a Wide Bay share is worth \$10.24, the total capital proceeds will be \$10.64 and the cash component of the bid price will be 3.8% of the total price. Therefore, the scrip component will be 96.2%, and the rollover will be available for that same proportion of the capital gain.

2.1.3 CGT Discount

Individuals and trustees of trusts are entitled to a 50% exemption on capital gains if the shares have been held for more than 12 months.

Companies are not entitled to the 50% discount on capital gains. Companies will be taxed at 30% on any capital gains resulting from the sale of the shares in connection with the offer.

Complying Australian superannuation funds are entitled to a one-third discount on capital gains from the disposal of shares held for more than 12 months. Complying superannuation funds pay 15% tax on the taxable two-thirds of any capital gains.

2.2 Shares held on revenue account

Shares held as trading stock, such as by a share trader, are held as revenue assets rather than capital assets. The same applies to shares acquired for short-term speculation.

If shares are held as trading stock, no CGT will be payable on the transfer of the shares. Either the cash (if the Cash Alternative is chosen), or the value of the Wide Bay shares (if the Shares Alternative is chosen) will be included in the assessable income of the shareholder.

The scrip-for-scrip roll-over relief that can apply to shares held on capital account will not be available if shares are held as trading stock.

If the MPBS shares are held as trading stock and sold for a loss, the loss will be tax deductible. There will be no capital loss on disposal of the MPBS shares.

If the MPBS shares are held on revenue account, but are not held as trading stock (eg speculative shares), income tax will be payable on any profit that results from acceptance of the Wide Bay offer. Profits will potentially be subject to CGT, but any capital gains will be offset by the revenue profits to prevent double taxation. Any loss from disposal of the shares will be tax deductible.

3. Receipt of dividend

MPBS has proposed to pay a fully franked dividend of \$1.00 per MPBS share to MPBS shareholders.

If the dividend is paid, the Wide Bay offer will not change the way in which MPBS shareholders are taxed on the dividend, although the dividend will reduce the price paid for the MPBS shares. Australian resident shareholders will be required to include the dividend and its associated franking credit in their assessable income. A tax credit of 42.86% of the dividend will be able to be claimed against any tax that is payable.

Individuals and superannuation funds whose franking credits exceed the tax payable will be entitled to a refund of that excess. Companies are not entitled to a refund of excess franking credits. Companies are entitled to credit the franking credits to their franking accounts.

For a MPBS shareholder to be able to claim franking credits on any dividends, the shares must be held for at least 45 days and the shareholder must be exposed to the risk of any share price movements in that period. There is an exception for individual shareholders whose total franking credits for the year are less than \$5,000.

4. Non-residents

If non-residents (including individuals, companies and superannuation funds), accept the offer, they will generally not be subject to CGT on disposal of the MPBS shares. The MPBS shares are not taxable Australian property, and a disposal of the shares will not result in a taxable gain or loss.

Non-residents will not be subject to withholding tax or income tax in Australia on any MPBS dividend.

Non-residents should seek their own independent tax advice on the tax impact in their country of residence of accepting the Wide Bay offer.

5. Stamp duty

As the MPBS shares are listed on the Australian Securities Exchange, no stamp duty will be payable in Australia by shareholders who accept the offer.

6. GST

No GST will be payable by MPBS shareholders on the sale of their shares.

Yours faithfully
Bentleys MRI (Qld) Pty Ltd


John Newby

Section 9 Additional information

9.1 Further information relating to Wide Bay

Option Agreements

On 24 July 2007, Wide Bay entered into five option agreements (Option Agreements) with five Major MPBS Shareholders. The Major MPBS Shareholders and the details of the number of MPBS Shares subject to the five Option Agreements (Option Shares) are set out in the following table.

Major MPBS Shareholder	Option Shares
R & D Cran	330,092
P & L Fordyce	207,600
Galway Land Developers Pty Ltd	90,979
Lindesay Holdings Pty Ltd	90,000
Roju Pty Ltd	90,000
TOTAL	808,671

Each of the five Option Agreements are on equivalent terms. Under the Option Agreements, the Major MPBS Shareholders granted an option to Wide Bay to acquire some or all of the Option Shares for cash consideration of \$8.00 per Option Share. Wide Bay may only exercise the options if, within 45 days from the date of the Option Agreements (ie 45 days from 24 July 2007) Wide Bay has announced a takeover bid for all MPBS Shares or has announced a proposal to enter into a merger implementation agreement with MPBS to effect a merger of Wide Bay and MPBS. Further, the options may only be exercised by Wide Bay during the period commencing on the date of the Option Agreements and ending 180 days after that date (i.e. 180 days from 24 July 2007).

If a superior proposal in relation to the acquisition of MPBS Shares is made by someone other than Wide Bay and is recommended by the MPBS Board, then the number of MPBS Shares that may be acquired by Wide Bay under the Option Agreements is reduced in accordance with a formula set out in each Option Agreement.

Each party gives warranties to the other as to their legal capacity and authority to enter into the Option Agreements.

In response to issues raised by MPBS, Wide Bay has given an undertaking to MPBS that it will not exercise any voting rights attached to any MPBS Shares acquired pursuant to the exercise of the Option Agreements at the scheme meeting or any adjournment thereof in connection with the BOQ Proposal.

9.2 ASIC relief

Class orders

ASIC has published various "Class Order" instruments providing for modifications and exemptions that apply generally to all persons, including Wide Bay, in relation to the

operation of Chapter 6 of the Corporations Act. Wide Bay may rely on this class order relief.

Wide Bay has relied on the modification to section 636(3) of the Corporations Act set out in paragraph 11 of ASIC Class Order 01/1543 "Takeover Bids" to include references to certain statements by Wide Bay, MPBS and other persons in this Bidder's Statement without obtaining the consent of those persons.

As required by Class Order 01/1543, Wide Bay will make available a copy of the documents containing these statements (or relevant extracts from these documents), free of charge to MPBS Shareholders who request them before the end of the Offer Period. To obtain a copy of these documents (or the relevant extracts) MPBS Shareholders may contact Mr William (Bill) Schafer, Wide Bay's Company Secretary or use the shareholder information line on 1800 188 768 (toll free) for calls within Australia or +61 7 4150 4036 for callers outside Australia.

9.3 Foreign Shareholders

If a MPBS Shareholder is (or is acting on behalf of) a citizen or the resident of a jurisdiction other than Australia, its external territories or New Zealand, or the address shown in MPBS's register of members is a place outside Australia, its external territories or New Zealand, or a MPBS Shareholder is acting on behalf of such a person, then they are considered a Foreign Shareholder.

In respect of a Foreign Shareholder, unless Wide Bay otherwise determines that:

- (a) it is lawful and not unduly onerous and not unduly impracticable to make the Offer to them and to issue them with Wide Bay Shares on acceptance of the Offer; and
- (b) it is not unlawful for them to accept the Offer by the law of the relevant place outside Australia and its external territories or New Zealand,

then they are an Ineligible Foreign Shareholder, and they will not be entitled to receive Wide Bay Shares as Consideration for their MPBS Shares.

If you are an Ineligible Foreign Shareholder and you accept the Offer and elect to receive the Shares Alternative, Wide Bay will:

- (i) arrange for the issue to the Nominee of the number of Wide Bay Shares to which you and all other Ineligible Foreign Shareholders would have been entitled but for Clause 2.2 of the Offer Terms (Appendix 1); and
- (ii) cause the Nominee to offer for sale those Wide Bay Shares within five Business Days after the end of the Offer Period in such manner, at such price and on such other terms and conditions as are determined by the Nominee; and
- (iii) pay to them the amount ascertained in accordance with the formula in Clause 5.2 of the Offer Terms (Appendix 1).

Notwithstanding anything else contained in this Bidder's Statement, Wide Bay is not under any obligation to spend any money or undertake any action, in order to satisfy itself of the eligibility of Foreign Shareholders to receive Wide Bay Shares.

9.4 Wide Bay is a disclosing entity

Due to the fact that Wide Bay is offering Wide Bay Shares as Consideration for the acquisition of MPBS Shares, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of Wide

Bay Shares under sections 710 to 713 of the Corporations Act. Wide Bay does not need to issue a prospectus for the Offer of the Wide Bay Shares as the Offer is occurring under a takeover bid.

Wide Bay is a disclosing entity (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, Wide Bay is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of Wide Bay Shares.

Wide Bay Shares have been quoted on the ASX during the 12 months prior to the date of this Bidder's Statement. For this reason, Wide Bay is only required to disclose information in this Bidder's Statement that would usually be required where its shares have been continuously quoted securities.

In general terms, where Wide Bay Shares are continuously quoted securities the Bidder's Statement is only required to contain information in relation to the effect of the Offer on Wide Bay and the rights and liabilities attaching to the Wide Bay Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of Wide Bay unless such information has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules and it is information:

- (a) that investors and their professional advisers would reasonably require for the purposes of making an informed assessment of such matters; and
- (b) relating to the rights and liabilities attaching to the Wide Bay Shares.

Information that is already in the public domain has not been reported in this Bidder's Statement other than that information which is considered necessary to make this Bidder's Statement complete.

Wide Bay, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to Wide Bay (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an ASIC office;
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request during the Offer Period:
 - (i) the financial statements of Wide Bay for the 12 months ended 30 June 2007 (being the annual financial report most recently lodged by Wide Bay with ASIC);
 - (ii) the half-year financial report for the half-year ended 31 December 2006; and
 - (iii) all continuous disclosure notices given by Wide Bay after the lodgement of that annual financial report with ASIC and before the lodgement of this Bidder's Statement with ASIC.

Requests for free copies of these documents may be made by calling the shareholder information line on 1800 188 768 (toll free) (callers from Australia) or + 61 7 4150 4036 (callers outside Australia).

Copies of all documents lodged with ASIC in relation to Wide Bay can be inspected at the registered office of Wide Bay during normal office hours. Wide Bay also has a

website, www.widebayaust.com.au, which includes a wide range of information on Wide Bay (including copies of the above documents) and its activities. A list of announcements made by Wide Bay on the ASX between 30 June 2007 and the date of this Bidder's Statement appears in Appendix 3.

9.5 Wide Bay's Consideration

Wide Bay Share Consideration

Based on the number of MPBS Shares on issue as at the date of this Bidder's Statement (refer to Section 5.4), the total maximum number of Wide Bay Shares which would be issued under the Offer if every MPBS Shareholder accepted the Offer and elected to receive the Shares Alternative is 4,744,349 Wide Bay Shares.

Wide Bay has the capacity to issue the maximum number of Wide Bay Shares which it may be required to issue under the Offer.

Cash Consideration

Based on the number of MPBS Shares on issue as at the date of this Bidder's Statement (refer to Section 5.4), the total maximum amount of cash that would be payable by Wide Bay under the Offer if every MPBS Shareholder accepted the Offer and elected to receive the Cash Alternative is approximately \$55.75 million (assuming the proposed \$1.00 dividend is not paid by MPBS).

Sources of cash Consideration

As at 26 October 2007, Wide Bay had a \$600 million facility with the ANZ Investment Bank. Wide Bay has approximately \$416.60 million undrawn availability under this facility in addition to its own cash resources.

The facility does not have any material pre-conditions to the making available of the funds. The facility will be available for the entire Offer Period and, together with Wide Bay's cash reserves, will provide sufficient amounts to fund the maximum cash Consideration payable under the Offer.

9.6 Summary of rights and liabilities attaching to the Wide Bay Shares

Constitution

Under section 140(1) of the Corporations Act, the constitution of Wide Bay has effect as a contract between Wide Bay and each member and between each member of Wide Bay and each other member. Accordingly, if you accept the Offer, and as a result, receive Wide Bay Shares, you will become liable to comply with the constitution of Wide Bay. However, since the Wide Bay Shares issued as Consideration under the Offer will be issued credited as fully paid, no monetary liability attaches to them.

A summary of the rights and liabilities which relate to the Wide Bay Shares to be issued upon the acceptance of the Offer or in respect of the existing Wide Bay Shares is set out below. This summary does not purport to be exhaustive or constitute a definitive statement of the rights and liabilities of Wide Bay Shareholders. MPBS Shareholders should seek their own advice when trying to establish their rights in specific circumstances.

To obtain a free copy of Wide Bay's constitution during the Offer Period, you may contact Mr William (Bill) Schafer, Wide Bay's Company Secretary or use the shareholder information line on 1800 188 768 for callers within Australia or +61 7 4150 4036 for callers outside Australia.

Attendance at meetings and voting

Subject to the provisions of the constitution of Wide Bay, a Wide Bay Shareholder is entitled to be present at every meeting of members. At a meeting of members of Wide Bay, every Wide Bay Shareholder present in person, or by proxy, attorney or representative has on a show of hands, one vote and upon a poll, one vote for every Wide Bay Share held by that Wide Bay Shareholder.

Dividends

The Directors may determine that a dividend is payable and fix the amount, time for payment and method of payment. Subject to the Corporations Act, the Directors may determine that a dividend is to be made payable out of particular profits, whether current, past or reserved profits, or otherwise as they think appropriate.

Notices

Any notice given by Wide Bay under or in reference to the constitution of Wide Bay, may be served on the person to be notified either personally or by sending it through the post in a pre-paid letter envelope or wrapper to the person to be notified, at the person's registered place of address.

General powers of Directors

The management and control of the business and affairs of Wide Bay shall be vested in the Wide Bay Directors, who may exercise all such powers and do all such acts and things as Wide Bay is, by the constitution of Wide Bay or otherwise, authorised to exercise and do, and which are not, by the constitution of Wide Bay or statute, directed or required to be exercised or done by Wide Bay in a general meeting.

Specifically, any sale or disposal by the Directors of Wide Bay's main undertaking shall be subject to the prior approval or ratification by the members at a meeting.

Winding Up

Subject to the rights of Wide Bay Shareholders with special rights in a winding up (at present there are none), on a winding up of Wide Bay, the liquidator may, with the sanction of a special resolution of Wide Bay:

- (a) divide among the members of Wide Bay in kind all or any of Wide Bay's assets; and
- (b) determine how he or she will carry out the division between the different classes of members,

but may not require a member to accept any shares or other securities in respect of which there is a liability.

Transfer of Wide Bay Shares

Generally, fully paid Wide Bay Shares are freely transferable, subject to satisfying the usual requirements of share transfers on the ASX.

However, except in the case of a proper transfer, the Directors may in their absolute discretion refuse to register any transfer of Wide Bay Shares in any circumstances permitted by the ASX Listing Rules. Further, the Directors must:

- (a) refuse to register any transfer of Wide Bay Shares which are Restricted Securities during the escrow period except as permitted by the ASX Listing Rules or ASX; and

- (b) refuse to register any transfer where Wide Bay is, or the Directors are, required to do so by the ASX Listing Rules.

Variation of rights

The rights attaching to a class of shares in Wide Bay can only be varied by a special resolution passed at a general meeting of the holders of that class of shares or with the written consent of holders of at least 75% of the shares in that class. At present, there is only one class of shares in Wide Bay on issue (i.e. Wide Bay Shares).

Issue of further Wide Bay Shares

The Wide Bay Board may, subject to the restrictions on the allotment of shares under the Corporations Act and the ASX Listing Rules, issue or otherwise dispose of further Wide Bay Shares on such terms and conditions as the Wide Bay Board determines.

9.7 Details of any applicable share schemes

Wide Bay has a staff share plan ("SSP") which has been approved by Wide Bay Shareholders. The following are eligible to participate in the SSP:

- full-time or part-time employees of Wide Bay who are invited by the Wide Bay Board to participate; and
- companies or individuals that provide administrative services to Wide Bay or operate an agency for Wide Bay, and are invited by the Wide Bay Board to participate.

Under the SSP, eligible participants are invited to apply for Wide Bay Shares. The Wide Bay Board determines the maximum number of Wide Bay Shares that may be issued to an eligible participant under the SSP. The total number of Wide Bay Shares issued under the SSP must not exceed 10% of the total number of Wide Bay Shares on issue.

The issue price for the Wide Bay Shares issued under the SSP is the greater of:

- 90% of the average weighted market price of Wide Bay Shares sold on the ASX during the 10 trading days immediately preceding the week in which the invitation is dispatched to the eligible participant; and
- the par value of the Wide Bay Shares.

An eligible participant who applies for Wide Bay Shares under the SSP must either:

- pay the full issue price on application; or
- pay 10% of the issue price on application and apply for a loan from Wide Bay to fund the remainder of the issue price.

Loans provided by Wide Bay to eligible participants under the SSP may be interest free or may attract interest at a rate specified by the Wide Bay Board. Wide Bay Shares issued under the SSP carry the same rights and obligations as all other Wide Bay Shares on issue. The terms and conditions of the SSP may not be amended without the approval of Wide Bay Shareholders.

9.8 Disclosure of interests of Directors

Directors' interests

Except as disclosed in this Bidder's Statement, no Director or proposed Director of Wide Bay (whether individually or in consequence of the Directors' association with any company or firm or in any material contract entered into by Wide Bay) has now or has had in the two year period ending on the date of this Bidder's Statement, any interest in:

- the formation or promotion of Wide Bay;
- property acquired or to be acquired by Wide Bay in connection with its formation or promotion or the Offer; or
- the Offer of Wide Bay Shares .

Except as disclosed in this Bidder's Statement, no amount of any kind (whether in cash or shares or otherwise) has been paid or agreed to be paid to any Director or proposed Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or any company or firm with which the Director is associated in connection with the promotion or formation of Wide Bay or this Offer.

Interests in Wide Bay Shares

Details of the relevant interests in the capital of Wide Bay held at the date of this Bidder's Statement by the Wide Bay Directors are set out below.

Wide Bay Director	Wide Bay Shares
Mr John F Pressler ¹	-
Mr Ronald E Hancock	1,678,546
Mr John H Fell	401,826
Mrs Frances M McLeod	99,088
Mr Peter J Sawyer	451,656

¹ While Mr J F Pressler does not hold shares individually or in a related body corporate he is a director of Hestearn Pty Ltd, which holds 303,743 shares. Mr Pressler does not have a controlling interest in Hestearn Pty Ltd.

Interests in MPBS securities

Mr Ron Hancock has a relevant interest in MPBS Shares. 2,221 MPBS Shares are owned by the Hancock Superannuation Fund.

Indemnification of officers

Wide Bay pays an insurance premium to insure each of the Wide Bay Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a Director, other than conduct involving a wilful breach of duty in relation to Wide Bay. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and the amount of the premium paid.

9.9 Disclosure of fees or benefits received by certain persons

Fees or benefits in connection with Bidder's Statement

Except as set out in this Bidder's Statement, no person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement holds, or held at any time during the last two years, any interest in:

- (a) the formation or promotion of Wide Bay; or
- (b) property acquired or proposed to be acquired by Wide Bay in connection with its formation or promotion or the Offer; or
- (c) the Offer of Wide Bay Shares.

Except as set out in this Bidder's Statement, no person has paid or agreed to pay an amount and no person has given or agreed to give any benefit to any person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement for services provided in connection with the formation or promotion of Wide Bay or the Offer.

Investec Bank (Australia) Ltd has acted as financial adviser to Wide Bay in relation to the Offer. Wide Bay estimates that it will pay approximately \$1.25 million to Investec in the event that the Offer is successful.

Mallesons Stephen Jaques has acted as legal adviser to Wide Bay in relation to the Offer and Bentleys MRI has acted as accounting and tax adviser to Wide Bay. Each of Mallesons and Bentleys MRI will be entitled to receive professional fees in accordance with their normal basis for charging.

9.10 Expiry date

No Wide Bay Shares will be issued on the basis of the Offer contained in this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

9.11 Consents

The following persons have given and have not, before the date of this Bidder's Statement, withdrawn their consent to the following in this Bidder's Statement in the form and context in which it appears, and to all references in this Bidder's Statement to that information in the form and context in which it appears:

- Bentleys MRI to be named as accounting and tax advisers to Wide Bay and to the inclusion of the information relating to the taxation issues in Section 8 and any statement in this Bidder's Statement based on a statement in that advice;
- Investec Bank (Australia) Ltd - to be named as the financial adviser to Wide Bay;
- Mallesons - to be named as legal adviser to Wide Bay; and
- Computershare Investor Services Pty Limited - to be named as the Share Registry.

Disclaimer regarding statements made and responsibility

Each person named in Section 9.11 as having given its consent to the inclusion of a statement or to being named in this Bidder's Statement:

- does not make, or purport to make, any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based other than, in the case of a person referred to above as having given their consent to the inclusion of a statement, a statement included in this Bidder's Statement with the consent of that person; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than a reference to its name and, in the case of a person referred to above as having given their consent to the inclusion of a statement, any statement or report which has been included in this Bidder's Statement with the consent of that party.

9.12 FSSA approval

By instrument dated 24 August 2007, pursuant to subsection 14(1) of the Financial Sector (Shareholdings) Act 1998, the Treasurer approved the holding by Wide Bay of up to 100% of the MPBS Shares on the condition that Wide Bay must at all times maintain a minimum risk based capital ratio of 11%.

9.13 Reassessment of minimum prudential capital requirement

In a Prudential Review Report dated 14 November 2007 APRA advised Wide Bay that it had reassessed Wide Bay's minimum prudential capital requirement requiring Wide Bay to maintain a minimum prudential capital of 10% effective immediately. Accordingly, Wide Bay's minimum prudential capital has been reduced from 11% to 10% as at the date of the Prudential Review Report.

9.14 Other material information

Except as set out elsewhere in this Bidder's Statement, the Wide Bay Board is not aware of any other information that is:

- (a) material to the making of a decision by a MPBS Shareholder as to whether or not to accept an Offer; and
- (b) known to Wide Bay; and
- (c) not previously disclosed to the MPBS Shareholders.

Section 10 Glossary

10.1 Definitions

The following defined terms are used throughout this Bidder's Statement unless the contrary intention appears or the context requires otherwise:

ACCC means Australian Competition and Consumer Commission.

AEDT means Australian Eastern Daylight Time.

AIFRS means Australian equivalents to International Financial Reporting Standards.

APRA means Australian Prudential Regulation Authority.

ASIC means Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532), the body which administers the CHESSE system in Australia.

ASTC Settlement Rules means the settlement rules of ASTC.

ASX means the Australian Securities Exchange or the Australian Securities Exchange Limited, as the context requires.

ASX Listing Rules means the listing rules of the ASX.

Acceptance Form means the form of acceptance and transfer accompanying this Offer.

Advisers means, in relation to an entity, its legal, financial and other expert advisers.

Announcement Date means 29 October 2007.

Authorised Deposit Taking Institution has the meaning given to that term in the Banking Act.

Banking Act means the Banking Act 1959 (Cwlth).

Bentleys MRI means Bentleys MRI (QLD) Pty Ltd.

Bidder's Statement means this document, being the statement of Wide Bay under Part 6.5 Division 2 of the Corporations Act relating to the Offer and any supplementary or replacement Bidder's Statement in relation to this document.

BOQ means Bank of Queensland Limited ABN 32 009 656 740.

BOQ Cash Alternative means the consideration alternative under the BOQ Proposal consisting of \$8.25 cash per MPBS Share.

BOQ Proposal means the proposed scheme of arrangement to be implemented on the terms of a merger implementation deed between MPBS and BOQ dated 13 August 2007.

BOQ Scheme Booklet means the scheme booklet lodged with ASIC by MPBS and dated 15 October 2007 in relation to the BOQ Proposal.

BOQ Share means a fully paid ordinary share in the capital of BOQ.

BOQ Shares Alternative means the consideration alternative under the BOQ Proposal consisting of 0.5 BOQ Shares per MPBS Share.

Broker means a person who is a share broker and a participant in CHES.

Business Day means a day on which banks are open for general banking business in Brisbane (not being a Saturday, Sunday or public holiday in that place).

Cash Alternative means Wide Bay's Offer consideration of \$9.40 cash per MPBS Share (subject to Wide Bay deducting the amount of any dividend paid by MPBS).

CHES means the Clearing House Electronic Subregister System, which provides for electronic share transfer in Australia.

CHES Holder means a person who has a CHES Holding.

CHES Holding means a holding of MPBS Shares on the CHES subregister of MPBS.

Conditions means the conditions of the Offer as detailed in Appendix 2.

Consideration refers to the Shares Alternative or the Cash Alternative (as the context requires) offered in exchange for MPBS Shares under the Offer.

Controlling Participant means the Broker or Non-Broker Participant who is designated as the controlling participant for shares in a CHES Holding in accordance with the ASX Settlement Rules.

Corporations Act means the Corporations Act 2001 (Cwlth).

Director means a director of Wide Bay or a director of MPBS as the context requires.

Excluded Rights means any dividend paid by MPBS.

Financial Technology Securities means Financial Technology Securities Pty Ltd ABN 48 097 317 069, a company incorporated in Australia.

Foreign Shareholder means a MPBS Shareholder who is determined to be a foreign shareholder pursuant to Section 9.3.

FSSA means Financial Sector (Shareholdings) Act 1998 (Cwlth)

FY means financial year end 30 June.

Independent Expert means Lonergan Edwards & Associates Limited, commissioned to prepare the Independent Expert's Report.

Independent Expert's Report means the report prepared by the Independent Expert in relation to the BOQ Proposal and included as Annexure A in the BOQ Scheme Booklet.

Ineligible Foreign Shareholder means a MPBS Shareholder who is determined to be an ineligible foreign shareholder pursuant to Section 9.3.

Issuer Sponsored Holding means a holding of MPBS Shares on MPBS's issuer sponsored subregister.

Major MPBS Shareholders refers to those MPBS Shareholders who have entered into Option Agreements with Wide Bay as detailed in Section 9.1.

Mallesons means Mallesons Stephen Jaques.

Material Terminations means the events set out in Clause (d) of Appendix 2.

Merged Group means Wide Bay and its subsidiaries (including MPBS and MPBS's subsidiaries) which will exist as a result of the takeover bid as constituted by the Offer, should the proposed merger proceed to its conclusion.

Merged Group Board means the board of directors of the company formed as a result of the proposed merger between Wide Bay and MPBS as detailed in this Bidder's Statement.

Mortgage Risk Management means Mortgage Risk Management Pty Ltd ABN 99 082 740 010, a company incorporated in Australia.

MPBS means Mackay Permanent Building Society Ltd ABN 34 087 652 033, a company incorporated in Australia.

MPBS Board means the board of directors of MPBS.

MPBS Converting Preference Share means a non-cumulative, non-redeemable, non-participating fully paid converting preference share in the capital of MPBS.

MPBS Group means MPBS and each of its subsidiaries.

MPBS Share means a fully paid ordinary share in the capital of MPBS.

MPBS Shareholder means a holder of MPBS Shares.

Nominee means an entity to be appointed by Wide Bay after the date of this Bidder's Statement with the prior approval of ASIC.

Non-Broker Participant means a non-broker participant under the ASTC Settlement Rules.

Offer means the offers by Wide Bay on the Offer Terms to acquire MPBS Shares referred to in Section 2.

Offer Period means the period commencing on [21 November 2007] and ending on [24 December 2007], or such later date to which the Offer has been extended.

Offer Terms means the terms and conditions of the Offer set out in Appendices 1 and 2.

Officers means, in relation to an entity, its Directors, officers, partners and employees.

Option Agreements means the option agreements entered into between Wide Bay and five Major MPBS Shareholders as detailed in Section 9.1.

Option Share means the MPBS Shares which are subject to the Option Agreements between Wide Bay and each Major MPBS Shareholder as detailed in Section 9.1.

Prescribed Occurrence means, in respect of either Wide Bay or MPBS (as the context requires) those occurrences set out Clause (b) of Appendix 2. Where the context requires that the reference to Prescribed Occurrence is in respect of Wide Bay, all references to MPBS in Clause (b) of Appendix 2 shall be taken to be references to Wide Bay.

Professional Investment Services means Professional Investment Services Pty Ltd ABN 11 074 608 558, a company incorporated in Australia.

Register Date means [13 November 2007], being the date set by Wide Bay under section 633(2) of the Corporations Act.

Registry means Computershare Investor Services Pty Limited ABN 48 078 279 277, a company incorporated in Australia.

Regulatory Authority means any government or any governmental, semi-governmental, administrative, or statutory, judicial, entity, authority or agency, whether in Australia or elsewhere, including any self-regulatory organisation established under state or any stock exchange.

Representatives means, in relation to an entity:

- (a) its Related Bodies Corporate; and
- (b) each of the Officers and Advisers of the entity or any of its Related Bodies Corporate.

Rights means all accretions, rights or benefits of whatever kind attaching to or arising from MPBS Shares directly or indirectly after the date of this Bidder's Statement, including without limitation, rights to receive or subscribe for shares, stock units, notes, bonds, options or other securities declared, paid or made by MPBS or any of its subsidiaries, other than the Excluded Rights.

RMBS means residential mortgage backed securities.

Shares Alternative means Wide Bay's Offer consideration of 0.80 Wide Bay Shares plus \$1.00 cash per MPBS Share (subject to Wide Bay deducting the amount of any dividend paid by MPBS).

SSP means Wide Bay's staff share plan.

Standard & Poor's means a division of The McGraw-Hill Companies Inc (a company incorporated in the United States) that publishes financial research and analysis.

Unconditional means that the Offers and any contracts resulting from acceptance of the Offers are no longer subject to fulfilment of the Conditions.

VWAP means the volume weighted average price of a security.

Wide Bay means Wide Bay Australia Ltd ABN 40 087 652 060, a company incorporated in Australia.

Wide Bay Board means the board of directors of Wide Bay.

Wide Bay Group means Wide Bay and each of its subsidiaries.

Wide Bay Share means a fully paid ordinary share in Wide Bay.

Wide Bay Shareholder means any holder of Wide Bay Shares.

Wide Bay's Takeover Transferee Holding means the holding of MPBS Shares on the CHESS subregister of Wide Bay established for the purposes of this Offer.

10.2 General interpretation

The following rules of interpretation apply unless the contrary intention appears or the context requires otherwise:

- (a) A reference to time is a reference to AEDT.
- (b) Headings are for convenience only and do not affect interpretation.
- (c) The singular includes the plural and vice versa.
- (d) Unless otherwise indicated, a reference to a section or appendix is a reference to a section or appendix of this Bidder's Statement.
- (e) A gender includes all genders.
- (f) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (g) \$, or cents is a reference to the lawful currency in Australia, unless otherwise stated.
- (h) A reference to a person includes a body corporate, an unincorporated body or other entity and conversely.
- (i) A reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assigns.
- (j) A reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it.
- (k) A reference to any instrument or document includes any variation or replacement of it.
- (l) A term not specifically defined in this Bidder's Statement has the meaning given to it (if any) in the Corporations Act, the ASX Listing Rules or the ASTC Settlement Rules, as the case may be.
- (m) A reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually.
- (n) A reference to you is to a person to whom the Offer is made under Appendix 1.

Section 11 Approval of Bidder's Statement

The copy of this Bidder's Statement that is to be lodged with ASIC has been approved by a unanimous resolution passed by the Directors of Wide Bay on 29 October 2007.

Signed by Ronald Hancock of Wide Bay Australia Ltd in accordance with section 351 of the Corporations Act.

A handwritten signature in black ink, appearing to read 'Ronald Hancock', with a horizontal line underneath.

Ronald Hancock
Managing Director

Date: 29 October 2007

Appendix 1 - Formal terms of the Offer

1 Offer

Wide Bay offers to acquire all of your MPBS Shares together with all Rights attaching to them on the following terms and conditions. The Offer extends to any MPBS Shares that were issued as a result of the conversion of MPBS Converting Preference Shares into MPBS Shares (refer to Section 5.4 of the Bidder's Statement).

You may only accept this Offer for all of your MPBS Shares.

By accepting this Offer, you undertake to transfer to Wide Bay not only all of your MPBS Shares but also all Rights attaching to your MPBS Shares.

Wide Bay Shares issued in accordance with this Offer will rank equally in all respects with Wide Bay Shares on issue as at the Register Date.

2 Consideration

2.1 Consideration offered

The consideration offered by Wide Bay is either 0.80 Wide Bay Shares plus \$1.00 cash, or \$9.40 cash for every one MPBS Share (subject to Wide Bay deducting the amount of any dividend paid by MPBS).

2.2 Ineligible Foreign Shareholders

If at the time this Offer is made to you, you are an Ineligible Foreign Shareholder, you will not be entitled to receive Wide Bay Shares as Consideration for your MPBS Shares. Instead, if you accept the Offer and elect to receive the Shares Alternative, you will receive a cash amount determined in accordance with Section 9.3 and Clause 5.2 of this Appendix 1.

2.3 Fractional entitlements

For the avoidance of doubt, if you accept the Offer and become entitled to receive a fraction of a Wide Bay Share, the number of Wide Bay Shares you are entitled to pursuant to this Offer will be rounded up to the next whole number of Wide Bay Shares (as applicable). If Wide Bay reasonably believes that a MPBS Shareholder's holdings have been manipulated to take advantage of rounding up, then any fractional entitlement will be aggregated or rounded down to the next whole number of Wide Bay Shares (as applicable).

2.4 Distribution and entitlements

You will remain entitled to any dividend paid by MPBS. Wide Bay will deduct the amount of this dividend from the cash amounts payable under the Offer.

Wide Bay will be entitled to all distributions and entitlements declared, paid or made by MPBS or which arise or accrue after the Register Date, in respect of the MPBS Shares which Wide Bay acquires pursuant to this Offer, other than the Excluded Rights.

If for any reason whatsoever Wide Bay does not receive any such distributions or entitlements, Wide Bay will, to the extent permitted by applicable law, be entitled to reduce the amount of Consideration to which you would otherwise be entitled in accordance with this Offer by the amount or value (as reasonably determined by Wide Bay) of the distribution or entitlement. This may include reducing the number of Wide Bay Shares to which you may otherwise be entitled.

3 Offer Period

The Offer will, unless withdrawn, remain open for acceptance during the period commencing on the date of this Offer, being [15 November 2007], and ending at 7.00pm (AEDT) on:

- (a) a date which is at least one month after the date of this Offer, being [24 December 2007]; or
- (b) any date to which the period of this Offer is extended in accordance with the Corporations Act,

whichever is the later.

4 How to accept this Offer

4.1 All of your holding

This Offer is for the acquisition by Wide Bay of all of your MPBS Shares.

4.2 Acceptance procedure for MPBS Shareholders

The acceptance procedure will depend on whether your MPBS Shares are in a CHESS Holding or an Issuer Sponsored Holding.

If you hold your MPBS Shares in a CHESS Holding

You must comply with the ASTC Settlement Rules.

If you are a sponsored CHESS Holder of MPBS Shares, to accept the Offer you must:

- (a) instruct your Controlling Participant to initiate acceptance of the Offer on your behalf in accordance with Rule 14.14 of the ASTC Settlement Rules; or
- (b) complete, sign and send the completed Acceptance Form directly to your stockbroker or Controlling Participant; or
- (c) complete and sign the Acceptance Form and mail or deliver it to the address below and authorise Wide Bay to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf,

before the end of the Offer Period.

If you hold your MPBS Shares in an Issuer Sponsored Holding

If your MPBS Shares are in an Issuer Sponsored Holding, then to accept this Offer you must **complete, sign and return** the accompanying Acceptance Form in accordance

with the instructions on it and deliver it or send it by post so that it is received before the expiry of the Offer Period.

If you are a Broker or a Non-Broker Participant

If you are a Broker or Non-Broker Participant, initiate acceptance in accordance with the requirements of the ASTC Settlement Rules before the end of the Offer Period.

Mailing address

The mailing address for completed Acceptance Forms is as follows:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne VIC 8060

A reply paid envelope (for use within Australia only) is enclosed for your convenience.

Acceptance Form

The Acceptance Form which accompanies this Offer forms part of it. The requirements on the Acceptance Form must be observed in accepting this Offer in respect of your MPBS Shares.

4.3 Power of attorney or deceased estate

When accepting this Offer, you should also forward for inspection:

- (a) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
- (b) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased MPBS Shareholder, the relevant grant of probate or letters of administration (if applicable).

4.4 When acceptance is complete

Except in relation to MPBS Shares in a CHESS Holding, acceptance of this Offer will not be complete until the completed Acceptance Form has been received at one of the addresses set out in Clause 4.2 above and the requirements of this Clause 4 have been met, provided that:

- (a) Wide Bay may in its sole discretion waive any or all of those requirements at any time; and
- (b) where such requirements have been complied with in respect of some but not all of your MPBS Shares, Wide Bay may, in its sole discretion, deem your acceptance of this Offer complete in respect of those MPBS Shares for which the requirements have been complied with but not in respect of the remainder.

If Wide Bay deems acceptance to be complete, Wide Bay is not obliged to make the Consideration available to you until all of the requirements for acceptance have been met.

5 Payment of Consideration

5.1 When Consideration is paid

Subject to Clause 5.2 and 5.3 of this Appendix 1, if the contract resulting from your acceptance of this Offer becomes Unconditional, Wide Bay will provide the Consideration to which you are entitled on acceptance of this Offer on or before the earlier of:

- (a) one month after the date that this Offer is validly accepted by you or, if the Offer is subject to a Condition when accepted, within one month after this Offer or the contract resulting from your acceptance of this Offer becomes Unconditional; or
- (b) 21 days after the end of the Offer Period.

5.2 Payments to Ineligible Foreign Shareholders

If you accept the Offer and elect to receive the Shares Alternative and you are an Ineligible Foreign Shareholder:

- (a) Wide Bay will arrange for the issue to the Nominee of the number of Wide Bay Shares to which you and all other Ineligible Foreign Shareholders would have been entitled but for Clause 2.2 of this Appendix 1;
- (b) Wide Bay will cause the Nominee to offer for sale the Wide Bay Shares within five Business Days after the end of the Offer Period in such manner, at such price and on such other terms and conditions as are determined by the Nominee; and
- (c) Wide Bay will cause the Nominee to pay to you the amount ascertained in accordance with the following formula:

$$\frac{\text{Net Proceeds of Sale x Wide Bay Shares}}{\text{Total Nominee Wide Bay Shares}}$$

Where:

“Net Proceeds of Sale” means the amount which is received by the Nominee upon the sale of all Wide Bay Shares under this Clause 5.2 less brokerage and other sale expenses;

“Wide Bay Shares” means the number of Wide Bay Shares which would but for Clause 2.2 of this Appendix 1 otherwise have been allotted to you;

“Total Nominee Wide Bay Shares” means the total number of Wide Bay Shares allotted to the Nominee under this Clause 5.2; and

- (d) you will receive your share of the proceeds of this sale in Australian currency;
- (e) payment will be made by cheque posted to you at your risk by ordinary mail at the address provided on your Acceptance Form; and
- (f) under no circumstances will interest be paid on your share of the proceeds of this sale, regardless of any delay in remitting these proceeds to you.

5.3 Where additional documents are required

Where the Acceptance Form requires additional documents to be given with your acceptance (such as a power of attorney):

- (a) if you send or deliver the documents with your Acceptance Form, Wide Bay will provide the Consideration in accordance with Clause 5.1 of this Appendix 1;
- (b) if the documents are given after you send or deliver your Acceptance Form and before the end of the Offer Period and the Offer is subject to a Condition at the time that Wide Bay receives the documents, Wide Bay will provide the Consideration by the end of whichever period ends earlier:
 - (i) within one month after the contract resulting from your acceptance of the Offer becomes Unconditional; or
 - (ii) 21 days after the end of the Offer Period;
- (c) if the documents are given after you send or deliver your Acceptance Form and before the end of the Offer Period, and the Offer is Unconditional at the time that Wide Bay receives the documents, Wide Bay will provide the Consideration by the end of whichever period ends earlier:
 - (i) one month after Wide Bay is given the document; or
 - (ii) 21 days after the end of the Offer Period; or
- (d) if the documents are given after the end of the Offer Period but within one month after the end of the Offer Period, Wide Bay will provide the Consideration within 21 days after the documents are given; but if at the time Wide Bay is given the documents, the contract resulting from your acceptance of the Offer is still subject to one or more of the Conditions in Appendix 2, Wide Bay will provide the Consideration within 21 days after that contract becomes Unconditional.

If you do not provide Wide Bay the required additional documents within one month after the end of the Offer Period, Wide Bay may, in its sole discretion, rescind the contract resulting from your acceptance of the Offer.

5.4 Where Wide Bay is entitled to any Rights

If Wide Bay becomes entitled to any Rights on acceptance of the Offer, you must give Wide Bay all documents that Wide Bay needs to give Wide Bay title to those Rights. If you do not give those documents to Wide Bay, or if you have received the benefit of those Rights, Wide Bay will deduct from the Consideration otherwise due to you the amount (or value, as reasonably assessed by Wide Bay) of those Rights.

5.5 Payment to be mailed by cheque

Payment of any cash amount to which you are entitled will be mailed by cheque (or otherwise as determined by Wide Bay) in Australian currency. Cheques will be sent to the address on the Acceptance Form by pre-paid ordinary mail or, if you have an overseas address, by pre-paid airmail.

5.6 Clearances for offshore residents

If, at the time of acceptance of this Offer, you are resident in or of a place outside Australia, you will not be entitled to receive any Consideration under this Offer until all requisite authorities or clearances of the Reserve Bank of Australia (whether under the Banking (Foreign Exchange) Regulations or otherwise), or of the Australian Taxation Office, have been obtained.

6 Conditions of the Offer

6.1 Conditions

This Offer and the contract that results from acceptance of this Offer are subject to fulfilment of the Conditions set out in Appendix 2.

6.2 Nature of Conditions

Each of the Conditions set out in each paragraph and subparagraph of Appendix 2:

- (a) constitutes and will be construed as a separate, several and distinct condition;
- (b) is a condition subsequent; and
- (c) until the expiration of the Offer Period (or in the case of the conditions referred to in sub-paragraphs (b)(i)-(v) and (b)(vii)-(xiv) of Appendix 2, until 3 Business Days after the end of the Offer Period) will be for the benefit of Wide Bay alone and may be relied upon or waived only by Wide Bay.

6.3 Effect of breach or non-fulfilment

The breach or non-fulfilment of any of the Conditions set out in Appendix 2 does not, until the end of the Offer Period, prevent a contract resulting from your acceptance of this Offer but, if at the end of the Offer Period (or in the case of the conditions referred to in sub-paragraphs (b)(i)-(v) and (b)(vii)-(xiv) of Appendix 2, until 3 Business Days after the end of the Offer Period), in respect of any condition in Appendix 2:

- (a) Wide Bay has not declared the Offers (and they have not become) free from that Condition; or
- (b) that Condition has not been fulfilled,

the contract resulting from your acceptance of the Offer will be void. In such a case, Wide Bay will return the Acceptance Form together with any additional documents to the address shown in the Acceptance Form and notify ASTC of the lapse of the Offers in accordance with Rule 14.9 of the ASTC Settlement Rules.

6.4 Wide Bay may decide the Offer is free from all or any of the conditions

Wide Bay may at any time at its sole discretion but in compliance with section 650F and section 630 of the Corporations Act, declare the Offer free from all or any of the conditions set out in each paragraph and subparagraph of Appendix 2 by notice in writing to MPBS:

- (a) in the case of the conditions referred to in sub-paragraphs (b)(i)-(v) and (b)(vii)-(xiv) of Appendix 2 - not later than 3 Business Days after the end of the Offer Period; or
- (b) in any other case - not later than seven days before the end of the Offer Period.

6.5 Date for giving notice on status of conditions

The date for giving a notice on the status of the conditions as required by section 630(1) of the Corporations Act is [14 December 2007], subject to variation in accordance with section 630(2) of the Corporations Act in the event that the Offer Period is extended.

7 Effect of acceptance

By signing and returning the Acceptance Form, you will be deemed to have:

- (a) accepted this Offer (and each variation of this Offer) in respect of all of your MPBS Shares; and
- (b) agreed to transfer to Wide Bay or its Nominee all of your MPBS Shares, subject to this Offer being declared free from the Conditions set out in Appendix 2 (or such Conditions being satisfied or waived); and
- (c) if you elect to receive the Shares Alternative, irrevocably authorised Wide Bay to apply for the issue to your account of that number of Wide Bay Shares corresponding to your Consideration entitlement under this Offer at the date of application (unless you are an Ineligible Foreign Shareholder). If you are an Ineligible Foreign Shareholder and you elect to receive the Shares Alternative, you will have irrevocably authorised Wide Bay to apply for the issue to the account of the Nominee of that number of Wide Bay Shares corresponding to your entitlement under this Offer at the date of application; and
- (d) if you elect to receive the Shares Alternative, agreed to accept the Wide Bay Shares to which you have become entitled by acceptance of this Offer subject to the constitution of Wide Bay and have authorised Wide Bay to place your name on its register of security holders in respect of those Wide Bay Shares; and
- (e) irrevocably authorised and directed MPBS to pay Wide Bay or to account to Wide Bay, for all Rights in respect of your MPBS Shares, subject, however, to any such Rights received by Wide Bay being accounted for by Wide Bay to you if this Offer is withdrawn or the contract formed by your acceptance of this Offer is rescinded or rendered void; and
- (f) except where Rights have been accounted for under Clause 7(e) above, irrevocably authorised Wide Bay to adjust the Consideration to be paid pursuant to Clause 2.1 of this Appendix 1 by the amount (or value as reasonably assessed by Wide Bay) of those Rights; and
- (g) irrevocably authorised Wide Bay to deduct from the Consideration to be paid pursuant to Clause 2.1 of this Appendix 1 the amount of any Excluded Rights; and
- (h) irrevocably authorised Wide Bay to pay you the Cash Alternative where you have failed to elect either the Shares Alternative or Cash Alternative, or you have incorrectly elected to receive both the Shares Alternative and Cash Alternative on the Acceptance Form; and
- (i) irrevocably authorised Wide Bay to alter the Acceptance Form on your behalf by:
 - (i) inserting correct details of your MPBS Shares; and
 - (ii) filling in any blanks remaining on the Acceptance Form; and
 - (iii) rectifying any errors in, and omissions from, the Acceptance Form,as may be necessary to make the Acceptance Form a valid acceptance of this Offer and to enable registration of the transfer of your MPBS Shares to Wide Bay; and

- (j) if any of your MPBS Shares are in a CHESS Holding, irrevocably authorised Wide Bay to:
 - (i) instruct your Controlling Participant to initiate acceptance of this Offer in respect of all such MPBS Shares in accordance with the ASTC Settlement Rules; and
 - (ii) give any other instructions in relation to those MPBS Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and the Controlling Participant; and
- (k) including where the Offer is caused to be accepted in accordance with the ASTC Settlement Rules:
 - (i) irrevocably accepted this Offer in respect of all your MPBS Shares despite any difference between that number and the number of MPBS Shares shown in the Acceptance Form; and
 - (ii) represented and warranted to Wide Bay, as a condition of the contract resulting from your acceptance of the Offer, that at the time of acceptance and at the time of transfer to Wide Bay:
 - (A) you have paid to MPBS all amounts which are due for payment in respect of your MPBS Shares; and
 - (B) all of your MPBS Shares are fully paid and free from all mortgages, charges, liens and other encumbrances of any nature; and
 - (C) you have full power and capacity to sell and transfer those MPBS Shares; and
 - (iii) irrevocably appointed Wide Bay and each of its Directors from time to time severally as your agent and attorney on your behalf to:
 - (A) attend and vote in respect of your MPBS Shares at all general meetings of MPBS;
 - (B) receive from MPBS or any other party, and retain, any share certificates which were held by MPBS, or any other party, whether pursuant to the terms of any employee incentive scheme (including, without limitation, any employee share scheme) or otherwise;
 - (C) withdraw any instrument appointing a person as your proxy in respect of your MPBS Shares in relation to any meeting in connection with the BOQ Proposal; and
 - (D) sign all documents (including an instrument appointing one of Wide Bay's Directors as a proxy in respect of any or all of your MPBS Shares and any application to MPBS for a replacement certificate in respect of any share certificate which has been lost or destroyed) and resolutions relating to your MPBS Shares, and generally to exercise all powers and Rights which you may have as a MPBS Shareholder and perform such actions as may be appropriate in order to vest good title in your MPBS Shares in Wide Bay, and to have agreed that, in exercising such powers, any such Director is entitled to act in Wide Bay's interests as the beneficial owner and intended registered holder of your MPBS Shares; and

- (iv) if at the time of acceptance of this Offer your MPBS Shares are in a CHESS Holding, authorised, with effect from the date that this Offer or any contract resulting from acceptance of this Offer is declared free from all its conditions or those conditions are satisfied, Wide Bay to cause a message to be transmitted to ATSC in accordance with Rule 14.17.1 of the ASTC Settlement Rules so as to transfer your MPBS Shares to the Wide Bay's Takeover Transferee Holding. Wide Bay will be so authorised even though at the time of such transfer it has not paid the Consideration due to you under this Offer.

In response to issues raised by MPBS, Wide Bay has given an undertaking to MPBS that it will not exercise any voting rights attaching to MPBS Shares acquired as a result of acceptances of this Offer which it might have pursuant to Clauses 7(k)(iii) of this Appendix 1 until this Offer becomes Unconditional.

Except in relation to MPBS Shares in a CHESS Holding, Wide Bay may at any time deem the receipt of a signed Acceptance Form to be a valid acceptance of this Offer even though you omit to include your share certificate(s) (if any) or there is not compliance with any one or more of the other requirements for acceptance but, if Wide Bay does so, Wide Bay is not obliged to make the Consideration available to you until all of the requirements for acceptance have been met.

8 Withdrawal

Wide Bay may withdraw unaccepted Offers at any time with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

9 Variation

Wide Bay may vary this Offer in accordance with the Corporations Act.

10 Acceptances by transferees and nominees

10.1 Who may accept the Offer

During the Offer Period:

- (a) any person who is able to give good title to a parcel of your MPBS Shares may accept (if they have not already accepted an offer in the form of this Offer) as if an offer on terms identical with this Offer has been made to them; and
- (b) any person who holds one or more parcels of MPBS Shares as trustee, nominee, or otherwise on account of another person, may accept as if a separate offer had been made in relation to:
 - (i) each of those parcels; and
 - (ii) any parcel they hold in their own right.

10.2 Holding shares

A person is taken to hold MPBS Shares if the person is, or is entitled to be registered as, the holder of those MPBS Shares.

10.3 Holding shares on trust or as a nominee

A person is taken to hold MPBS Shares on trust for, as nominee for, or on account of, another person if they:

- (a) are entitled to be registered as the holder of particular MPBS Shares; and
- (b) hold their interest in the MPBS Shares on trust for, as nominee for, or on account of, that other person.

10.4 Effective acceptance

An acceptance of an offer under Clause 10.1(b) is ineffective unless:

- (a) the person who holds on account of another person, gives Wide Bay a notice stating that the MPBS Shares consist of a separate parcel; and
- (b) the acceptance specifies the number of MPBS Shares in that parcel.

10.5 Notice of acceptance

A notice under Clause 10.4(a) of these terms must be made:

- (a) if it relates to MPBS Shares entered on a CHESS subregister - in an electronic form approved by the ASTC Settlement Rules; or
- (b) otherwise - in writing.

A person may, at the one time, accept for two or more parcels under this Clause as if there had been a single offer for a separate parcel consisting of those parcels.

11 Official quotation of Wide Bay Shares

- (a) Subject to Clause 1 of this Appendix 1, the Wide Bay Shares offered by Wide Bay as Consideration under the Offer will rank equally with Wide Bay Shares on issue at the Register Date.
- (b) Wide Bay has been admitted to the official list of the ASX and shares of the same class as those to be issued as Consideration under the Offer have been granted official quotation by the ASX.
- (c) An application was made on 5 November 2007 to the ASX for the granting of official quotation of the Wide Bay Shares to be issued. However, official quotation is not granted automatically on application.
- (d) In accordance with section 625(3) of the Corporations Act, the Offer is subject to a condition that application for admission to quotation of the Wide Bay Shares issued under the Offer is made within seven days after the start of the Offer Period and permission for admission to quotation will be granted no later than seven days after the end of the Offer Period. This condition may not be waived.

12 Other matters

12.1 Notices and other communications

Subject to the Corporations Act, a notice or other communication given by Wide Bay to you in connection with this Offer shall be deemed to be duly given if it is in writing and:

- (a) is delivered at your address as recorded on the register of members of MPBS or the address shown in the Acceptance Form; or
- (b) is sent by pre-paid ordinary mail, or in the case of an address outside Australia by pre-paid airmail, to you at either of those addresses.

12.2 Return of documents

If:

- (a) this Offer is withdrawn after your Acceptance Form has been sent to Wide Bay, but before it has been received; or
- (b) for any other reason Wide Bay does not acquire the MPBS Shares to which your Acceptance Form relates,

Wide Bay will dispatch at your risk your Acceptance Form together with all other documents forwarded by you, to your address as shown on the Acceptance Form or such other address as you may notify in writing to Wide Bay by, where such address is inside Australia, pre-paid ordinary post, or, where such address is outside Australia, pre-paid airmail.

13 Costs and expenses

All costs and expenses of the preparation, dispatch and circulation of the Offer and all stamp duty payable in respect of a transfer of MPBS Shares payable by a MPBS Shareholder in respect of which the Offer is accepted, will be paid by Wide Bay.

Appendix 2 - Conditions of the Offer

The Offer and any contracts resulting from acceptance of the Offer are subject to fulfilment of the following conditions:

- (a) **80% minimum acceptance** - During or at the end of the Offer Period:
 - (i) Wide Bay has a relevant interest in at least 80% (by number) of the MPBS Shares;
- (b) **No MPBS Prescribed Occurrences** - None of the following events occur in respect of MPBS during the Offer Period:
 - (i) MPBS or any subsidiary of MPBS converting all or any of its shares into a larger or smaller number of shares in accordance with section 254H of the Corporations Act;
 - (ii) MPBS or any subsidiary of MPBS resolving to reduce its share capital in any way;
 - (iii) MPBS or any subsidiary of MPBS:
 - (A) entering into a buy-back agreement; or
 - (B) resolving to approve the terms of a buy-back agreement under the Corporations Act;
 - (iv) MPBS or any subsidiary of MPBS making an allotment or issue of, or granting an option to subscribe for, any of its shares or agreeing to make such an allotment or issue or to grant such an option, or MPBS or any subsidiary of MPBS making, or agreeing to make, an allotment or issue of any securities convertible into shares in MPBS;
 - (v) MPBS or any subsidiary of MPBS issuing, or agreeing to issue, convertible notes or other debentures;
 - (vi) MPBS or any subsidiary of MPBS disposing of shares in a subsidiary of MPBS;
 - (vii) MPBS or any subsidiary of MPBS disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property other than in the ordinary course of its trading business;
 - (viii) MPBS or any subsidiary of MPBS charges or agrees to charge the whole, or a substantial part, of its business or property, other than in the ordinary course of its ordinary business;
 - (ix) MPBS or any subsidiary of MPBS resolving that it be wound up;
 - (x) the appointment of a provisional liquidator or administrator of MPBS or of any subsidiary of MPBS;
 - (xi) the making of an order by a Court for the winding up of MPBS or of any subsidiary of MPBS;
 - (xii) an administrator of MPBS, or of any subsidiary of MPBS, being appointed under section 436A, 436B or 436C of the Corporations Act;

- (xiii) MPBS or any subsidiary of MPBS executing a deed of company arrangement; or
 - (xiv) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a part, of the property of MPBS or of any subsidiary of MPBS; and
- (c) **Distributions** - During the period commencing on the Announcement Date and ending at the end of the Offer Period, MPBS does not make or declare or announce an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie) except for the \$1.00 dividend that MPBS is proposing to pay MPBS Shareholders and any distribution which has been publicly announced by MPBS on the ASX before the Announcement Date.

Appendix 3 - Wide Bay announcements to the ASX since 30 June 2007

Document date	Price sensitive	Headline	Pages
12/11/2007		MPB: Letter to Shareholders - BOQ Scheme of Arrangement	1
06/11/2007		MPB: Supplementary Scheme Booklet	32
06/11/2007	Yes	MPB: ASX Announcement - Supplementary Scheme Booklet	1
06/11/2007		Wide Bay Seeks to Despatch Offers on 15/11/07	1
06/11/2007		Second Supplementary Bidder's Statement	11
06/11/2007		Second Replacement Bidder's Statement (Clean)	99
06/11/2007		Second Replacement Bidder's Statement - (Marked up)	101
05/11/2007		Appendix 3B	9
05/11/2007		Supplementary Bidder's Statement	1
02/11/2007	Yes	Notice to Free Offer from Conditions	1
02/11/2007		Bidder's Statement (Revised - Marked up)	97
02/11/2007		Bidder's Statement (Revised Clean)	97
02/11/2007	Yes	First Supplementary Bidder's Statement	12
02/11/2007		MPB: ASX Release	1
30/10/2007		MPB: Letter to Shareholders	1
30/10/2007		Media Release - MPB Response to Wide Bay bid	1
29/10/2007		Bidder's Statement for MPB	97
29/10/2007	Yes	Intention to Make Takeover Bid for MPB	3
15/10/2007		Notice of AGM/Proxy Form and Annual Report (email stream)	1
15/10/2007		Notice of AGM/Proxy Form/Docs (No Annual Report stream)	10
15/10/2007		Notice of AGM/Proxy Form/Docs (Annual Report stream)	10
09/10/2007		Wide Bay Australia 2007 Result - 2008 Forecast (Amended)	13
09/10/2007	Yes	Wide Bay Australia Ltd 2007 Results - 2008 Forecast	13
24/9/2007		Annual Report to shareholders	32
27/8/2007		Change of Director's Interest Notice	2
9/8/2007	Yes	Preliminary Final Report	39
25/7/2007		Notice of initial substantial holder for MPB	72
24/7/2007	Yes	Wide Bay proposes acquisition with Mackay Permanent	3

Appendix 4 - MPBS announcements to the ASX since 30 June 2007

Document date	Price sensitive	Headline	Pages
13/11/2007		MPBPA - Removal from Official Quotation	1
13/11/2007		Notice to Shareholders - Confirmation Statements	1
12/11/2007		Letter to Shareholders - BOQ Scheme of Arrangement	1
06/11/2007		Supplementary Scheme Booklet	32
06/11/2007	Yes	ASX Announcement - Supplementary Scheme Booklet	1
06/11/2007		WBB: Wide Bay Seeks to Despatch Offers on 15/11/07	1
06/11/2007		WBB: Second Supplementary Bidder's Statement	11
06/11/2007		WBB: Second Replacement Bidder's Statement (Clean)	99
06/11/2007		WBB: Second Replacement Bidder's Statement - (Marked up)	101
02/11/2007	Yes	Notice to Free Offer from Conditions	1
02/11/2007		WBB: Bidder's Statement (Revised - Marked up)	97
02/11/2007		WBB: Bidder's Statement (Revised Clean)	97
02/11/2007	Yes	WBB: First Supplementary Bidder's Statement	12
02/11/2007		Conversion of Preference Shares	1
02/11/2007		Appendix 3B	7
02/11/2007		ASX Release	1
01/11/2007	Yes	MPBPA - Suspension from Official Quotation	1
30/10/2007		Letter to Shareholders	1
30/10/2007		Media Release - Response to Wide Bay bid	1
29/10/2007		WBB: Bidder's Statement	97
29/10/2007	Yes	WBB: Intention to Make Takeover Bid	3
23/10/2007		Annual General Meeting 2007 - Resolutions	1
23/10/2007	Yes	Chairman's Address to Shareholders	2
23/10/2007		Notice of Preference Share Dividend	1
19/10/2007	Yes	BOQ-MPB Merger- APRA Approval	2
19/10/2007		Letter to Preference Shareholders	3
19/10/2007		Specimen Scheme Election Form	2
19/10/2007		Specimen Scheme Proxy Form	2
15/10/2007		Scheme Booklet	222
15/10/2007		Announcement - Scheme Booklet	1
11/10/2007		Appointment of Proxy	2
10/10/2007		Annual Report 2006/2007	52
10/10/2007		Notice of Annual General Meeting	2
30/08/2007		MPB: Joint ASX Release	1
30/08/2007		BOQ-MPB Due Diligence Satisfied	2
20/08/2007	Yes	Appendix 4E and 2007 Financial Report	83
20/08/2007		MPB: Letter to Shareholders	2
20/08/2007		MPB: Letter to preference shareholders	3
13/08/2007	Yes	BOQ ann: BOQ- MPB Merger Announcement	15
13/08/2007	Yes	MPB ann: Recommends \$53.2M BOQ proposal	15
02/08/2007	Yes	Company Announcement	1
25/07/2007		Notice of initial substantial holder for MPB	72
24/07/2007		MPB: Confirms Proposal from Wide Bay Australia Ltd	1
24/07/2007	Yes	Wide Bay proposes acquisition with Mackay Permanent	3

Corporate Directory

Chairman	Mr John F Pressler
Directors	Mr Ronald E Hancock Mr John H Fell Mrs Frances M McLeod Mr Peter J Sawyer
Company Secretary	Mr William R (Bill) Schafer
Registered Office	Wide Bay Australia Ltd Level 5, Wide Bay Australia House 16 – 20 Barolin Street Bundaberg QLD 4670 Phone: (07) 4150 4000 Fax: (07) 4153 7714 www.widebayaust.com.au
Financial Adviser	Investec Bank (Australia) Ltd Level 31 Riparian Plaza 71 Eagle Street Brisbane QLD 4000 www.investec.com/Australia
Accounting and Tax Adviser	Bentleys MRI (QLD) Pty Ltd Level 26 AMP Place 10 Eagle Street Brisbane QLD 4000 www.bentleys.com.au
Legal Adviser	Mallesons Stephen Jaques Level 30 Waterfront Place 1 Eagle Street Brisbane QLD 4000 www.mallesons.com
Share Registry	Computershare Investor Services Pty Limited GPO Box 52 Melbourne VIC 8060
Shareholder Information Line	If you have any questions in relation to the Offer please contact your legal, financial or other professional adviser or telephone the shareholder information line on: - Within Australia: 1800 188 768 (toll free) - Outside Australia: +61 7 4150 4036