



**Wide Bay Australia Ltd – Investor Presentation**  
**August 2014**

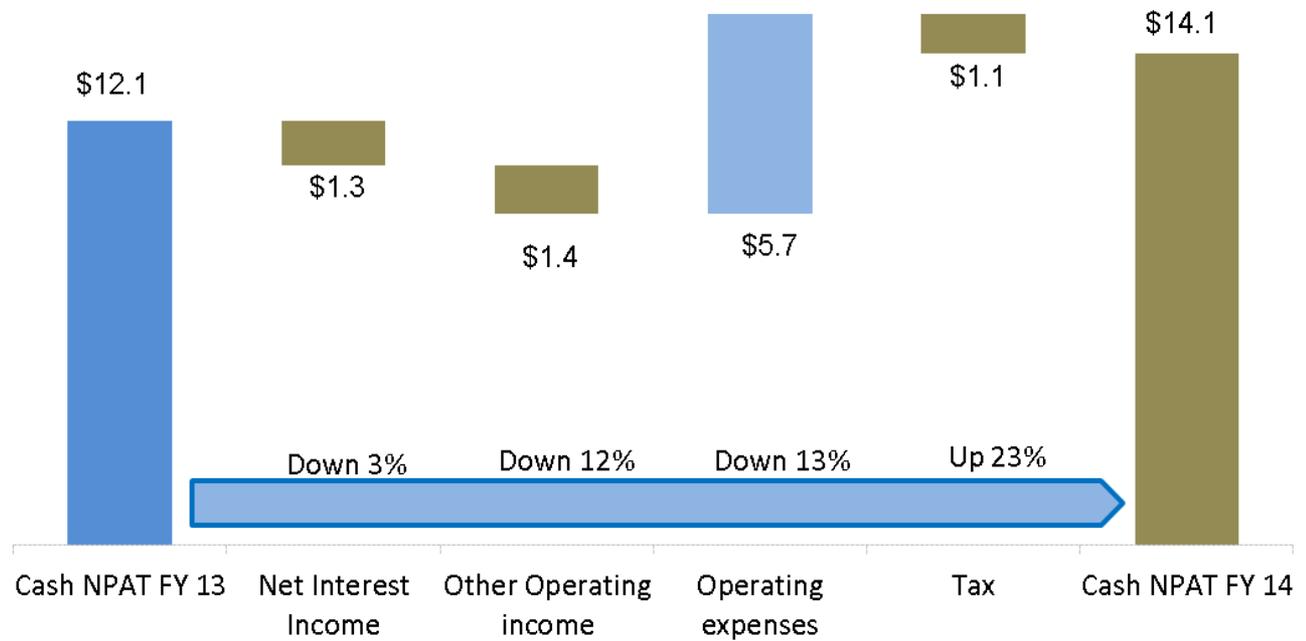


**2014**  
**A year of**  
**progress**  
**and**  
**improved**  
**asset**  
**quality**

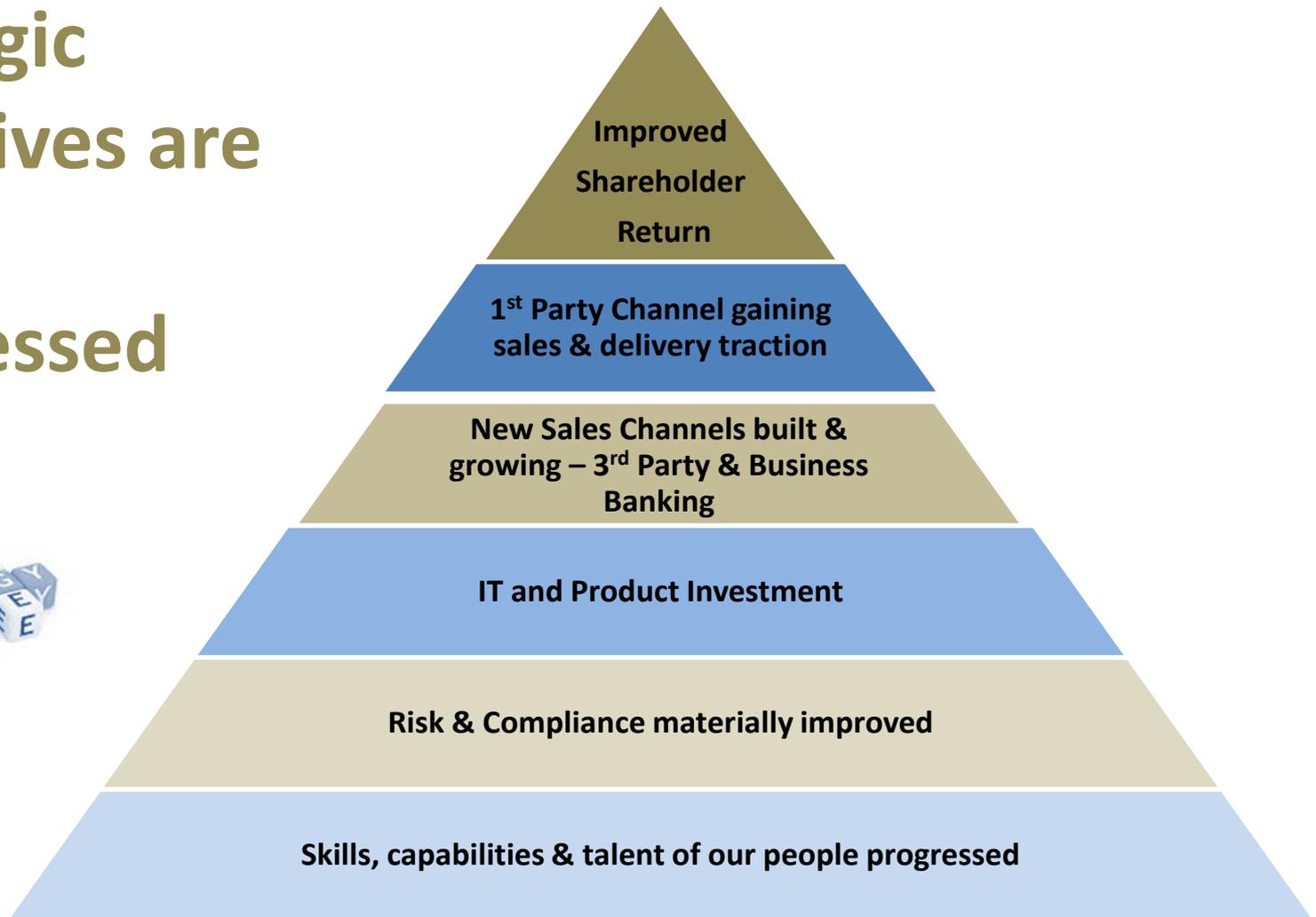
	June 2014	June 2013	 	Change June 14 vs June 13
Underlying cash NPAT	14.063m	12.126m		16.0%
Earnings per share – cash NPAT	38.75c	33.51c		5.24c
Dividend (100% franked)	28.0c	17.0c		11.0c
Return on equity – cash NPAT	7.2%	6.5%		0.7%
Statutory NPAT	\$14.063m	\$2.453m		\$11.61m
Cost to Income ratio (group) – cash NPAT	66.3%	71.9%		5.6%

# Cash NPAT movement - up 16%

## UNDERLYING CASH NPAT MOVEMENT FY14 v FY13 (\$M)



# Strategic Initiatives are well progressed



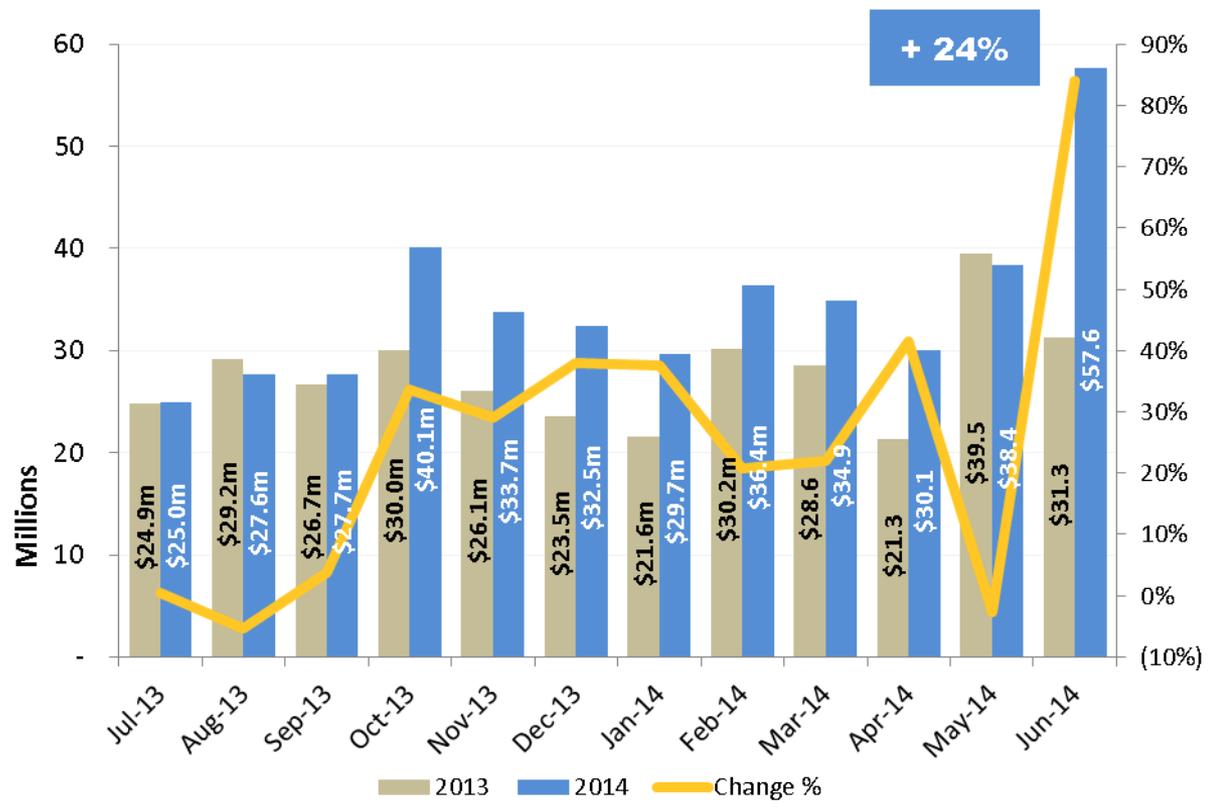
# Momentum is evident & growth resumed



- ✓ **Sound result**
  - ✓ improved asset quality and capability
  - ✓ new distribution arms
  - ✓ new sales talent
  
- ✓ **Expenses controlled whilst new investments made**
  
- ✓ **Lending growth diversified with significant South East Queensland contribution, compensating for weaker Central / Northern Queensland market**
  
- ✓ **3 significant IT investments to strongly position Wide Bay Australia for the future**
  
- ✓ **MRM Pty Ltd well provisioned and winding down**

Loan Approvals have good momentum despite tighter credit controls

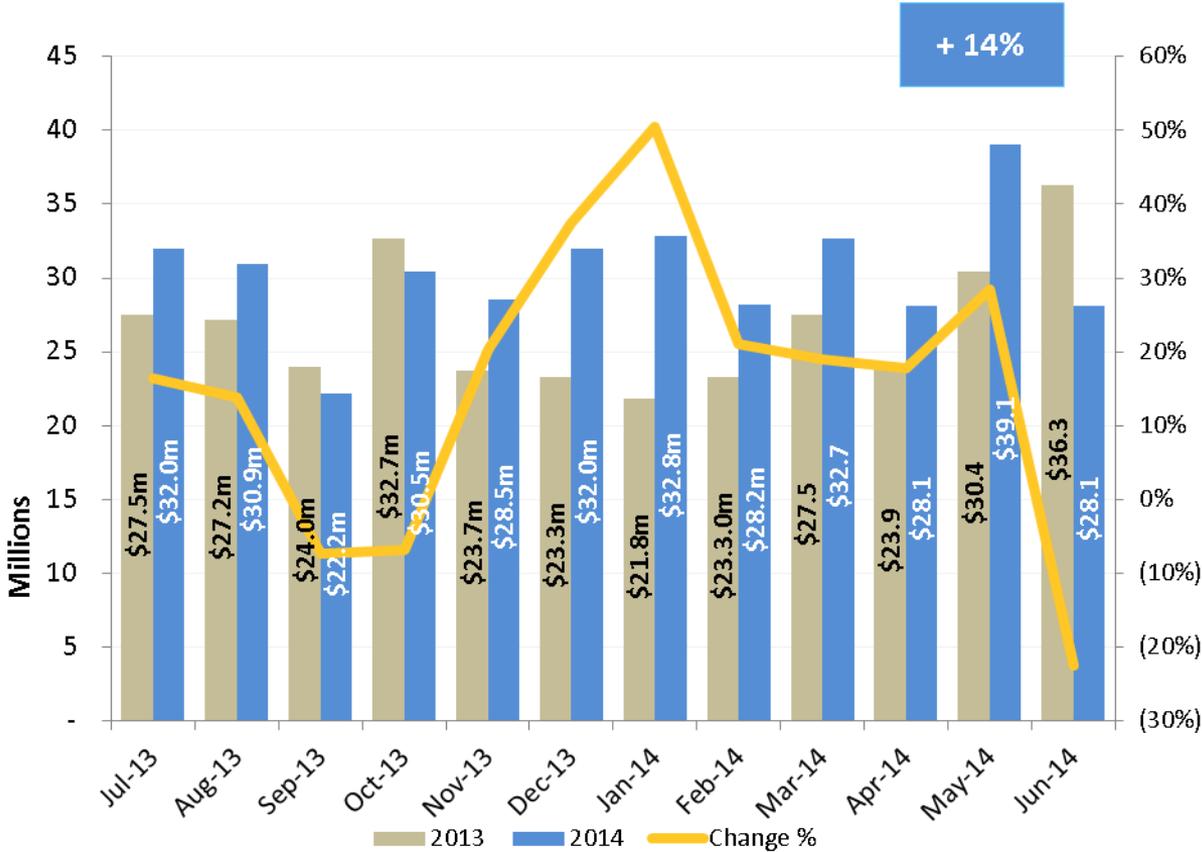
HOME LOAN APPROVALS ANALYSIS



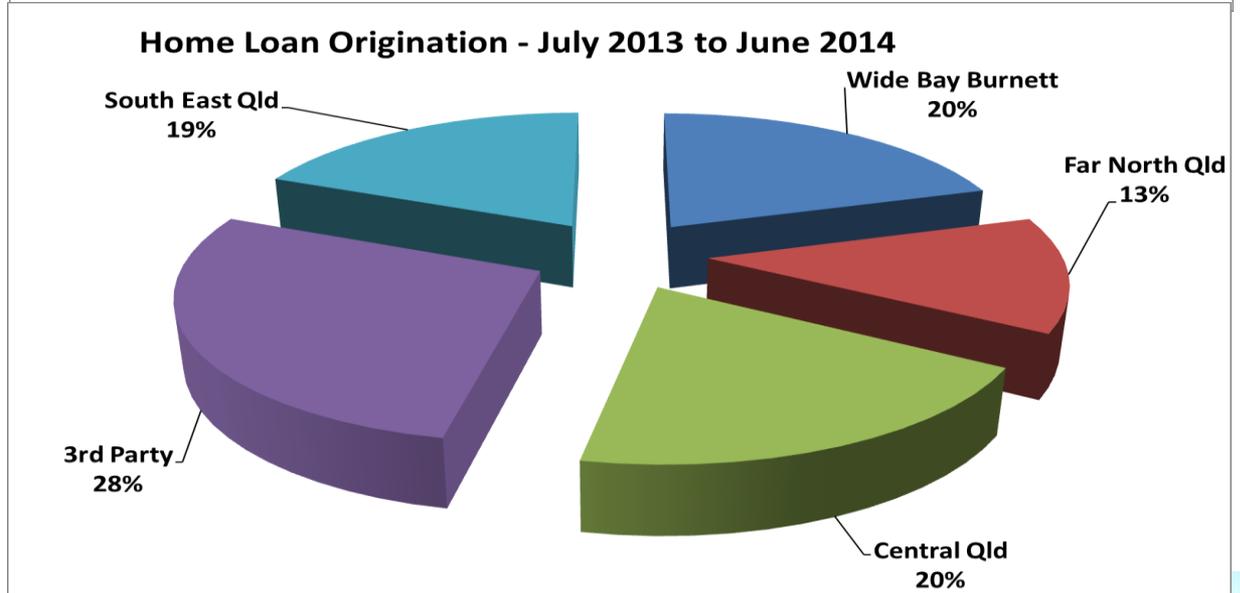
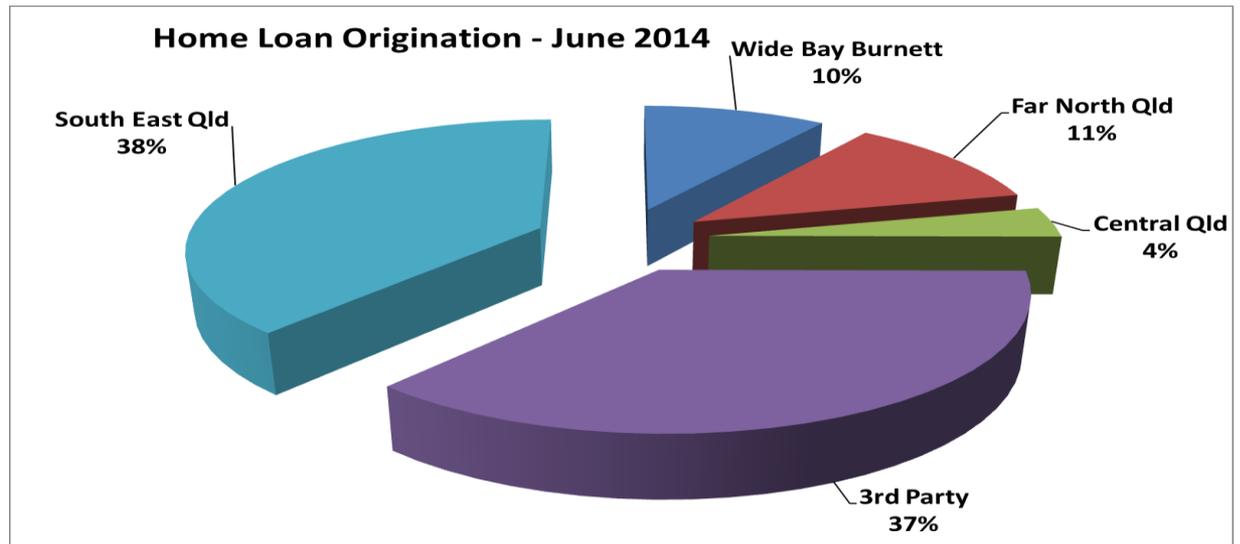
# HOME LOAN SETTLEMENTS ANALYSIS

## Loan Settlements are gaining momentum

(Record June approvals flowing into 1<sup>st</sup> quarter growth)

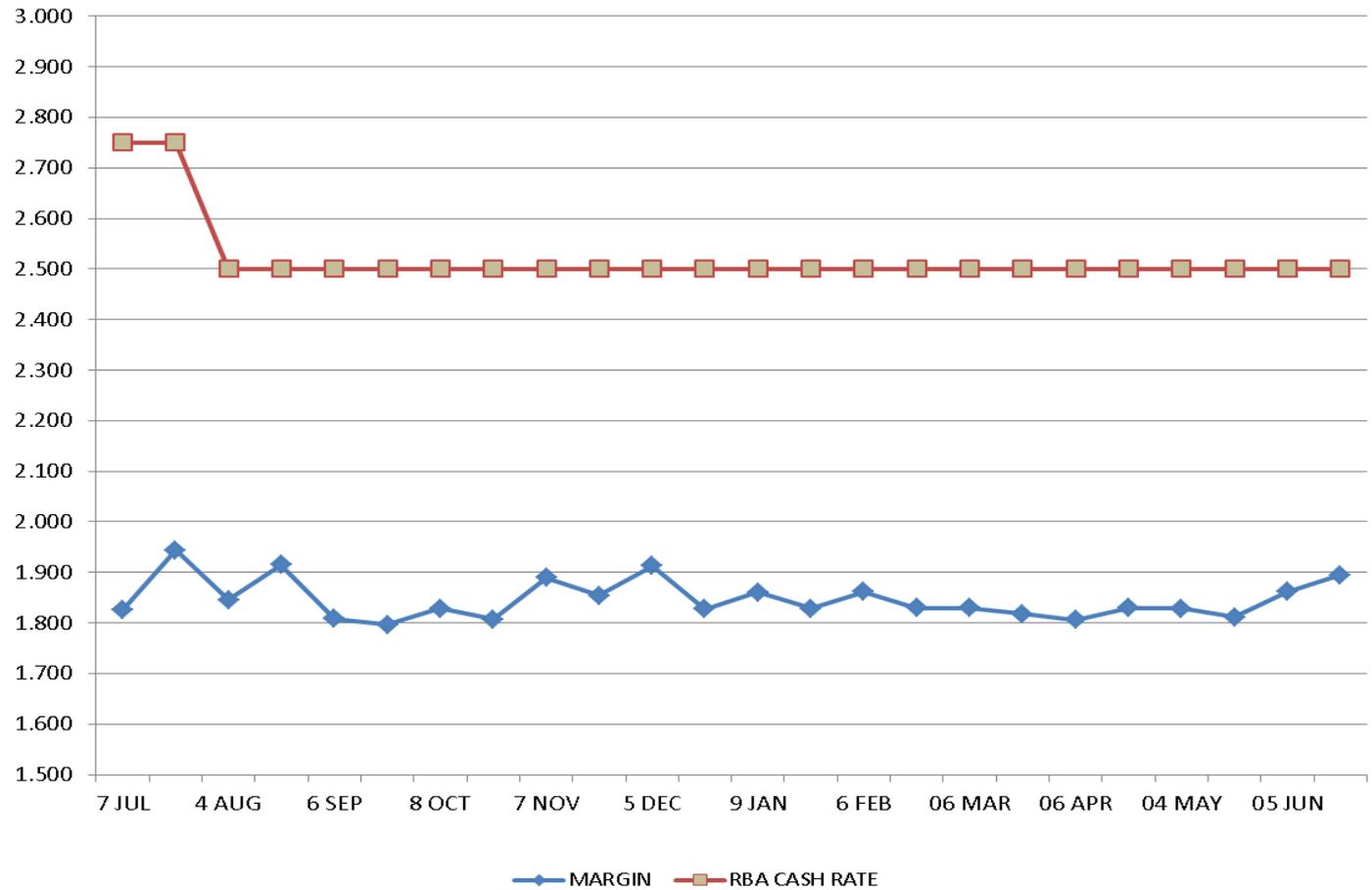


Home Loan growth trend towards SEQ & new Broker Channel following subdued Central Qld / North Qld market



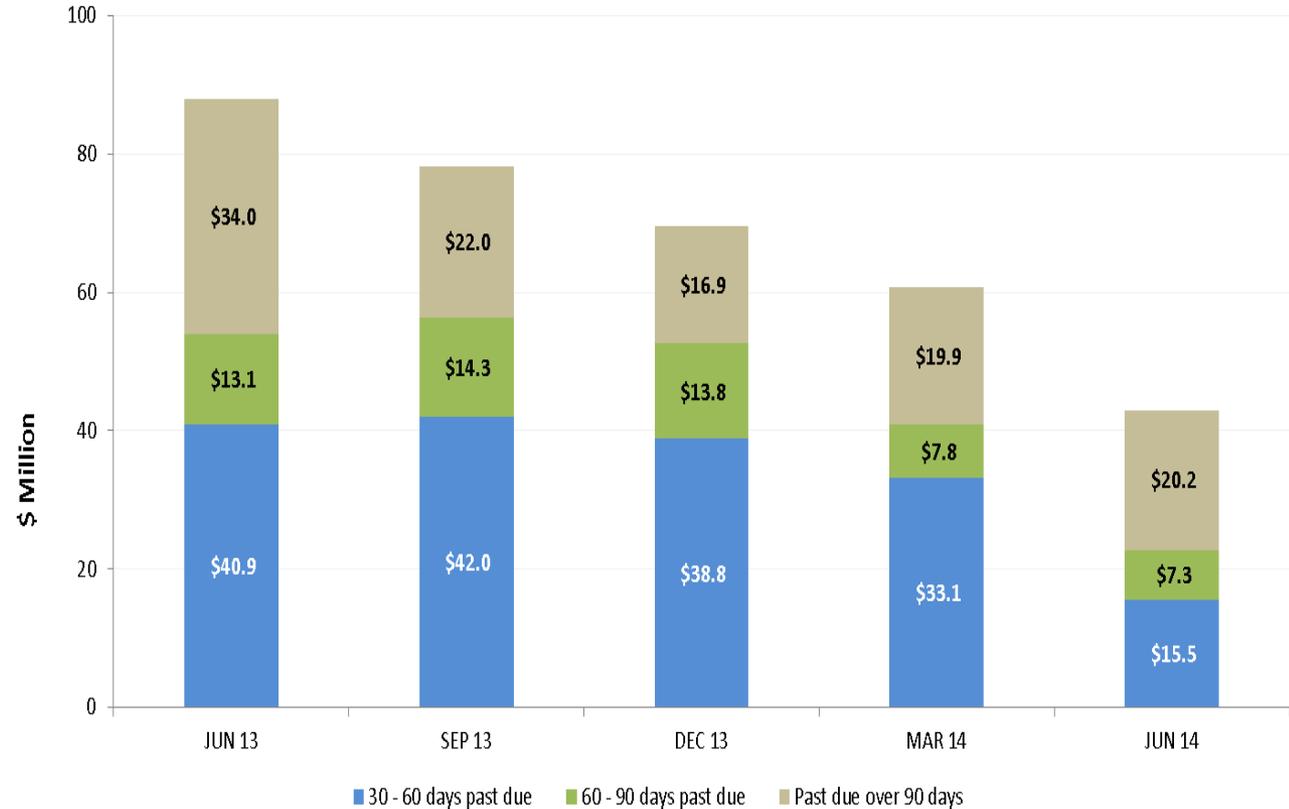
## NET INTEREST MARGIN - FY 14

Net  
Interest  
Margin  
holding  
steady



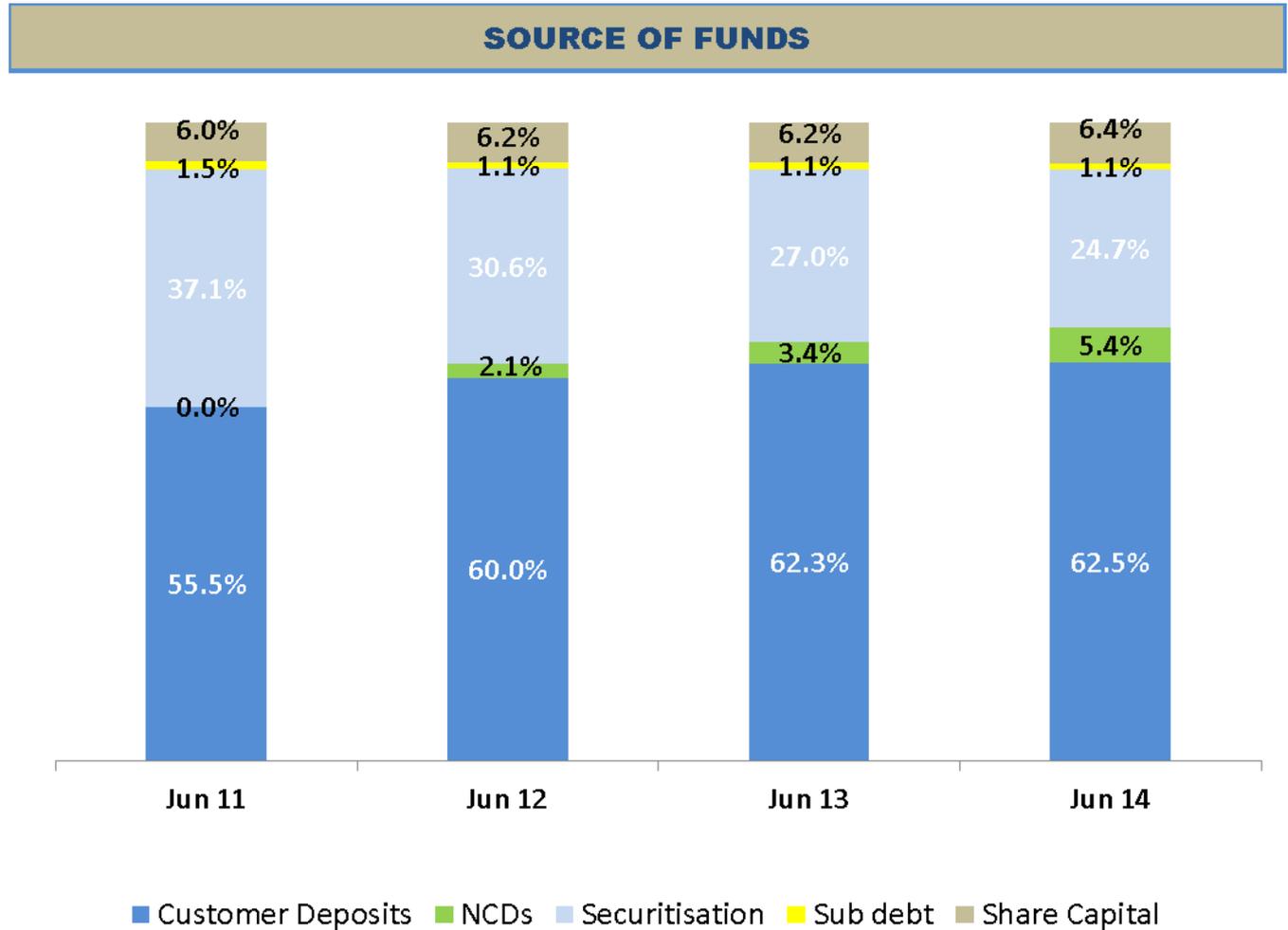
## LOANS AND ADVANCES PAST DUE

Loan Arrears are trending down with further improvement expected



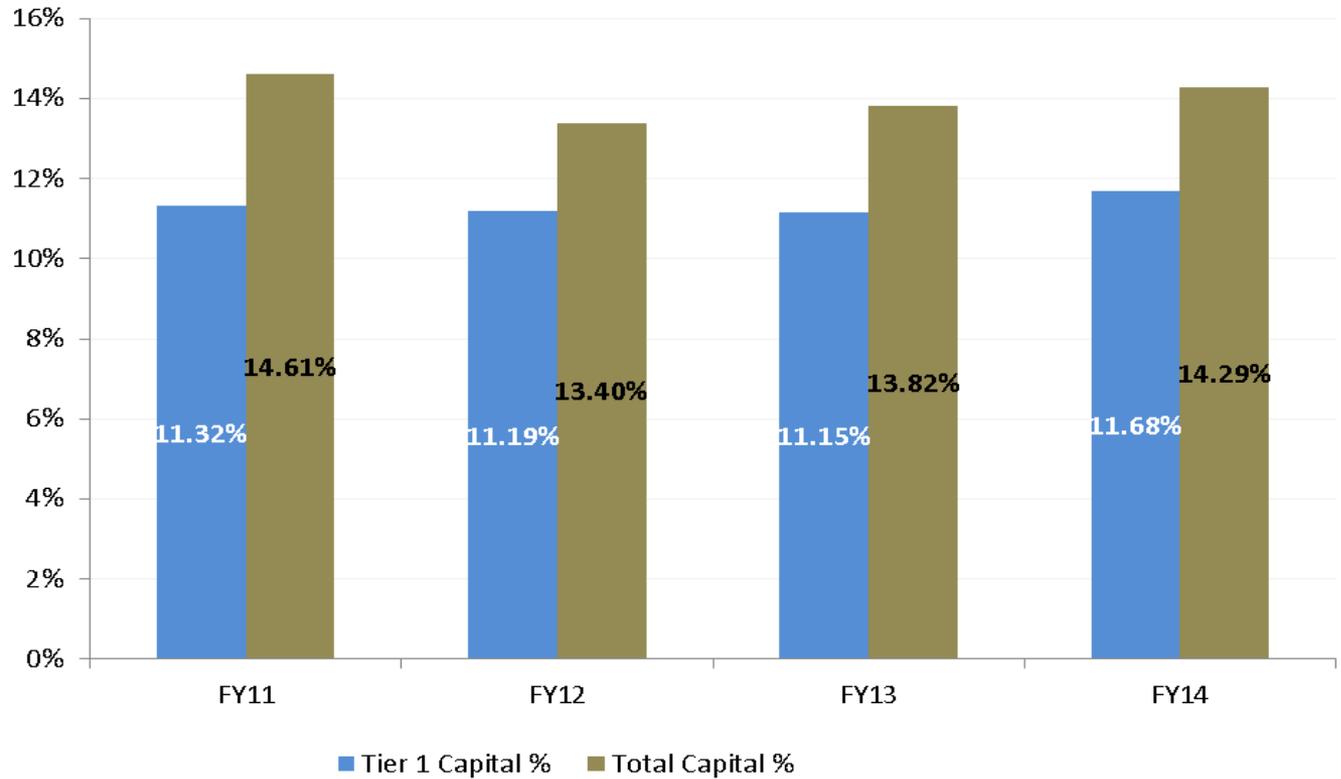
\* excluding the effects of hardship accounts

# Funding Mix is sound

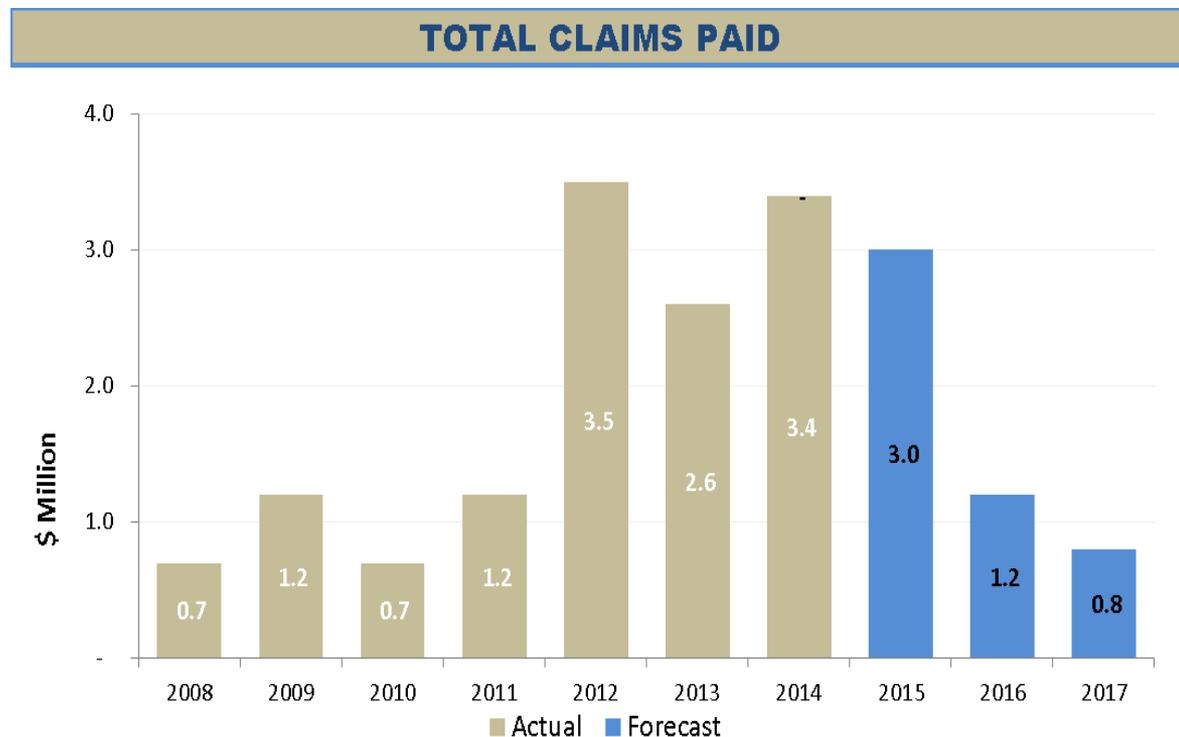


Capital  
remains  
strong

## CAPITAL ADEQUACY RATIO



# Mortgage Risk Management Pty Ltd is well provisioned



The 'actual' claims represent the payments for actual claims made on bad debts in the financial year.

The 'forecast' claims represent the expected claims in the next 3 years based on mortgagees in possession, arrears on past due loans and arrears on 'hardship' accounts.

MRM has \$6.8m in provisions set aside at 30 June 2014, after \$3.4m of claims were expensed in the year.



# 2015 a year of continued improvement and transformation

- Conditions are improving and WBA is better positioned to compete and grow
- Accelerating momentum in 1<sup>st</sup> Party, 3<sup>rd</sup> Party and Business Banking
- Delivery of substantial IT projects will be delivered over the year
  - Core banking system upgrade
  - Lending system upgrade
  - Process automation

## Delivery of customer convenience / speed to YES

- Updated website
- Online loan origination
- Enhanced internet & mobile banking platforms
- Online distribution capability

## Transformation Project

- Productivity and efficiency – end to end
- Review of branch network and digital reach
- 2 year cost out program agenda

This Presentation has been prepared for Wide Bay Australia Ltd ABN 40 087 652 060, Australian Financial Services and Australian Credit License Number 239686, ASX Code WBB. The information is current as at 27 August 2014.

### **Financial amounts**

All dollar values are in Australian dollars (A\$) and financial data is presented as at the date stated. Pro-forma financial information and past information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of WBB's views on its future financial condition and/or performance. Past performance, including past trading or share price performance, of WBB cannot be relied upon as an indicator of (and provides no guidance as to) future WBB performance including future trading or share price performance.

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### **Future performance**

This Presentation contains certain “forward looking statements”. Forward looking statements can generally be identified by the use of forward looking words such as “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “should”, “will”, “could”, “may”, “target”, “plan” and other similar expressions within the meaning of securities laws of applicable jurisdictions. The forward looking statements contained in this Presentation involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of WBB, and may involve significant elements of subjective judgment as to future events which may or may not be correct. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.