

18 November 2014

Manager of Company Announcements
ASX Limited
Level 5, 123 Eagle Street
Brisbane QLD 4000

Wide Bay Australia Ltd (WBB) – Managing Director’s Presentation 2014 AGM

Please find attached a presentation which provides a review of the economic environment, corporate structure and strategic progress of the company. The overview will be presented at today’s Annual General Meeting.

Yours Sincerely,



Martin Barrett
Managing Director



**wide bay
australia**

Wide Bay Australia Ltd

Martin Barrett – Managing Director

Annual General Meeting

18 November 2014

KEY ACHIEVEMENTS FOR 2013/14

Initiatives/focus

Growth

- Loan book grew in the second half in a very competitive market with fierce price competition
- Margins were held despite need to compete

People

- Training introduced across the business to improve skills & capability
- Performance management introduced & HR division created
- Recruitment of proven performers

Risk

- Reset our lending policies taking lessons of the past as guidance
- Improved risk culture across the organisation
- Substantial improvement in arrears management

Channels

- New business banking capability & offers delivered
- Broker business established in Toowong & supported at aggregator level
- Medico offers introduced

Investment

- Branch revitalisation program underway
- Head Office 'necessary works' committed
- Technology upgrade and new customer service/ acquisition capabilities committed and underway

Brand

- Advanced work on banking licence
- Developed brand concepts for conversion to bank
- Awarded building society of the year two years running

CURRENT LANDSCAPE

Economic

- Economic uncertainty continues across Australia
- Core region remains flat or in contraction (mining locations)
- Strong housing activity has been in Sydney & Melbourne

Customer

- Demands and expectations have rapidly changed – value, convenience and ease of doing business are critical
- Information & decision power are with the client
- Technology solutions are minimum expectations
- Branch is still important but mobile/online is more important
- Loyalty is slipping with generational change

Industry

- Dominated by Big 4 who hold scale and regulatory advantage (ROE advantaged)
- Smaller ADI's have struggled to grow with many contracting over the past few years
- Home lending and business lending remain subdued nationally and competition is fierce
- Low interest rates continue trend of faster loan amortisation
- Regulation and compliance requirements continue to grow.
 - Uncertainty exists on FSI potential impacts and macro prudential control potential

2015 FINANCIAL YEAR PRIORITIES

Our People / Productivity

- Continue cultural shift to a sales & service ethos supported by sound risk foundations
- Continue commitment to training our people and achieving our goal of having 'the best people'
- Recruit right people in opportunity locations
- Improve our productivity and efficiency of what we do
 - Six sigma review
 - Reduce manual internal processes
 - technology solutions
 - Reduce cost to serve and cost to sell

Customer

- Improve the customer contact points via
 - Improve online and mobile capability
 - Extend product offerings and sales online
 - Substantially increase speed to settlement
 - Update key branch fleet
- **Acquire more customers via:**
 - Technology investments
 - Business banking and broker momentum
 - Branch attractiveness and people capability
- **Do more with existing customers**
 - Improve product value, features & innovation
 - Needs identification and solutions to solve
 - Enhance value and offers from partners
 - Excellence in service in branch & online
- **Reposition as a bank**
 - Shareholders required to approve new brand

Shareholder

- Strong focus on lending growth balancing the needs and demands of customers in a very competitive market
- **Revenue opportunities**
 - Fee reviews
 - Product opportunities
 - Market segment opportunity
 - Legacy investments (FTS)
- **Cost management**
 - Productivity and efficiency drive
 - Review of operating practices (manual, paper based)
 - Supplier review and tender
 - Ongoing distribution review
 - Closure of MRM & release of costs & capital
- **Mergers & Acquisitions**
 - We will look for opportunities that make sense, offer capability & compliment revenue growth

CONCLUSION

We have a need to catchup with our main competitors however we have made good progress in a challenging market and highly competitive industry.

There will still be some bumps on the way but much lower than in the past few years.

2015 continues as a year of building capability, investing for today's market & future success. Investment need will put pressure on costs.

We are encouraged by the growth we are now experiencing and will continue to push this momentum.

We will convert to a bank this financial year and will seek shareholder support to reinvigorate our brand.