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18 November 2014

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

**Wide Bay Australia Ltd (WBB) – Chief Financial Officer’s Presentation 2014 AGM**

Please find attached a presentation which provides a review of Wide Bay Australia’s operating activities, strategic initiatives and performance. The presentation will be delivered at today’s Annual General Meeting.

Yours Sincerely,

**Bill Schafer**  
Company Secretary



## FINANCIAL OVERVIEW

ANNUAL GENERAL MEETING

18 NOVEMBER 2014

# 2014

## A year of progress & 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%

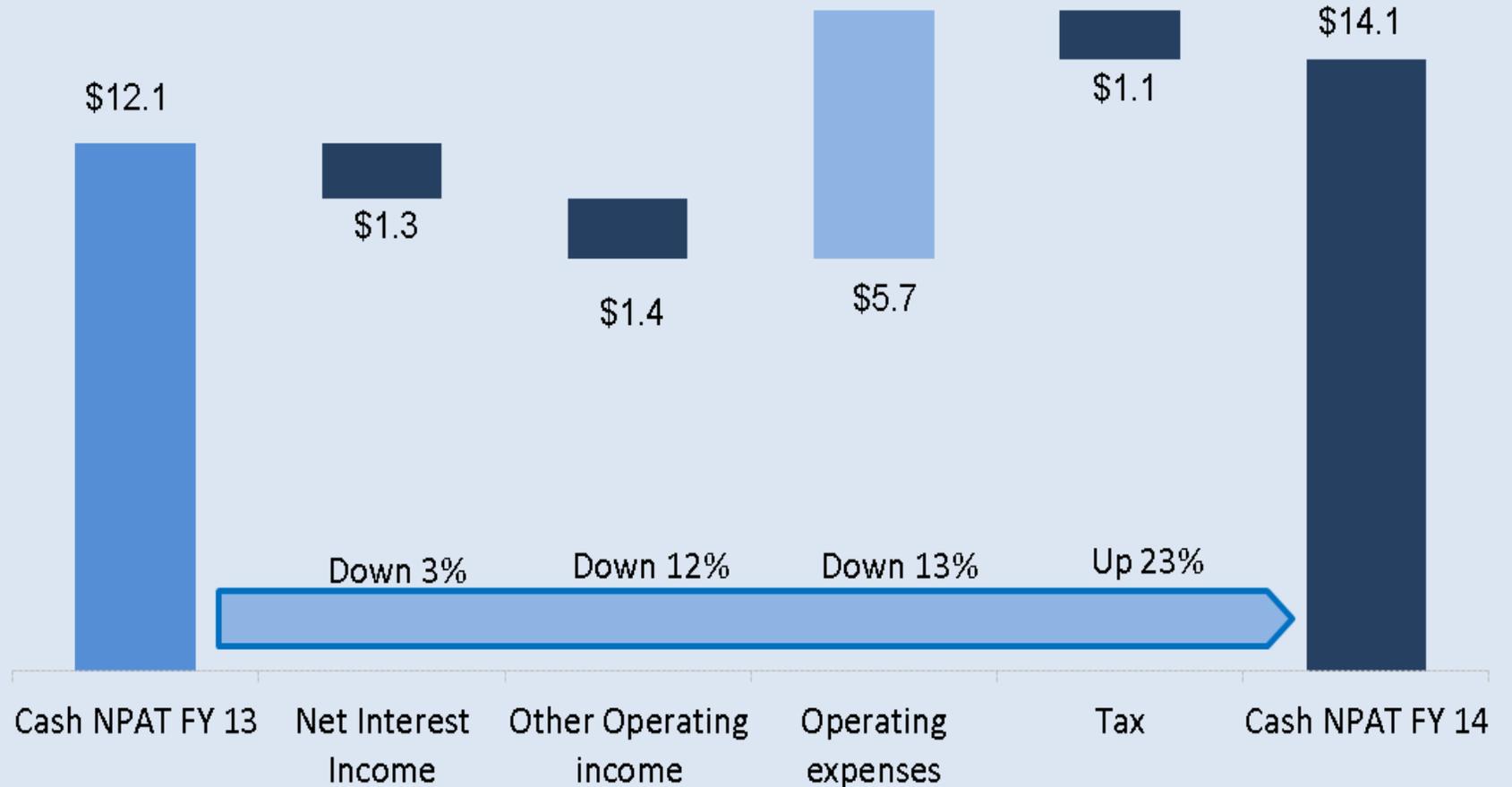
# Cash NPAT

- up 16%

Operating expenses down, including:

- Administration \$300k
- Agency costs \$300k
- Securitisation \$800k
- Provisions for doubtful debts \$3m

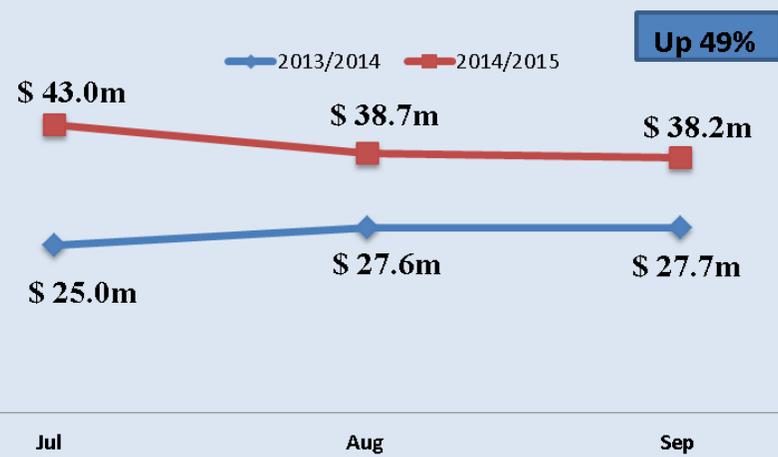
## UNDERLYING CASH NPAT MOVEMENT FY14 v FY13 (\$M)



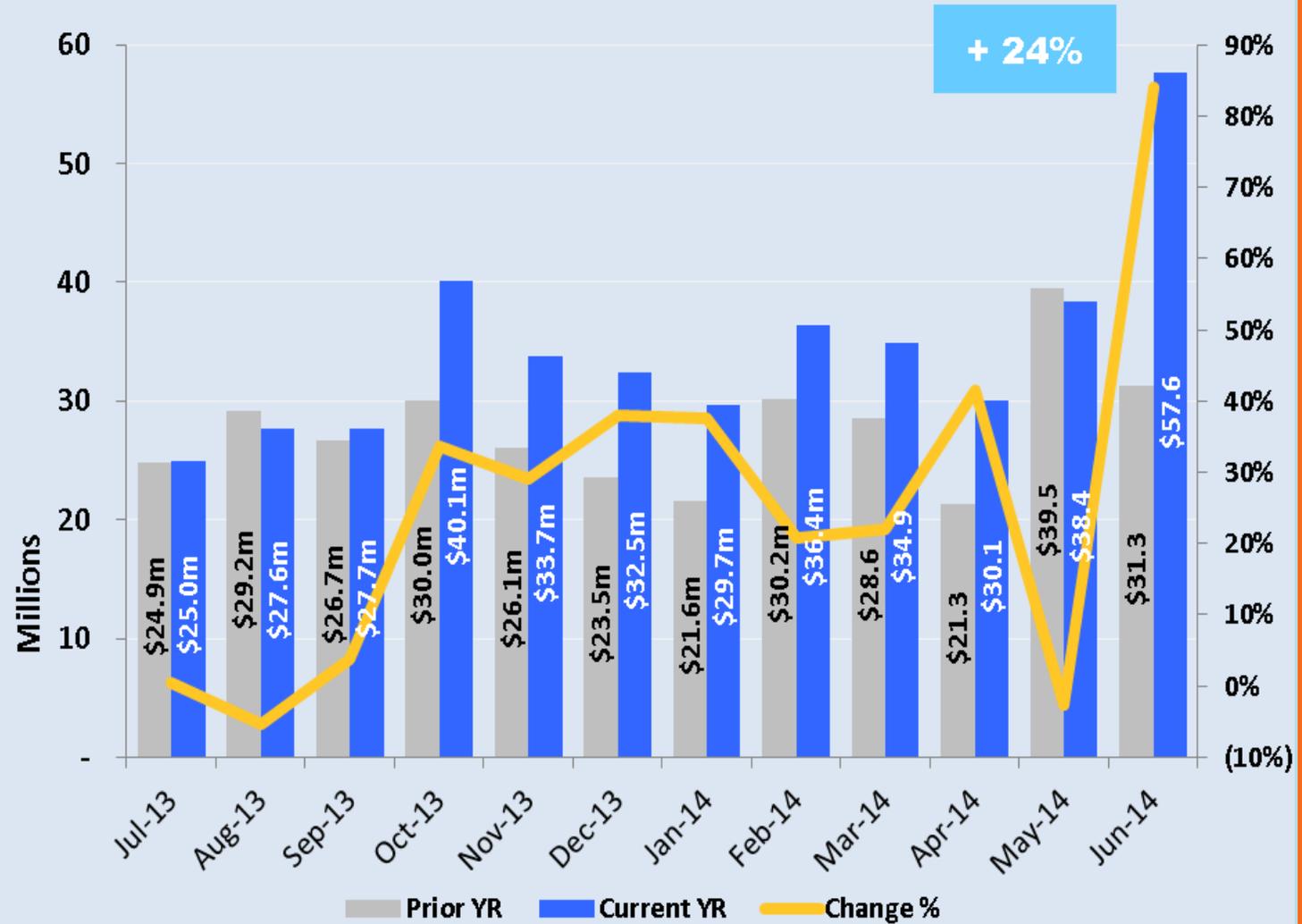
# Loan approvals:

- Momentum building
- Tighter credit controls
- Up 49% Q1 14 v Q1 13

**HOME LOAN APPROVALS COMPARISON 2014-2015**

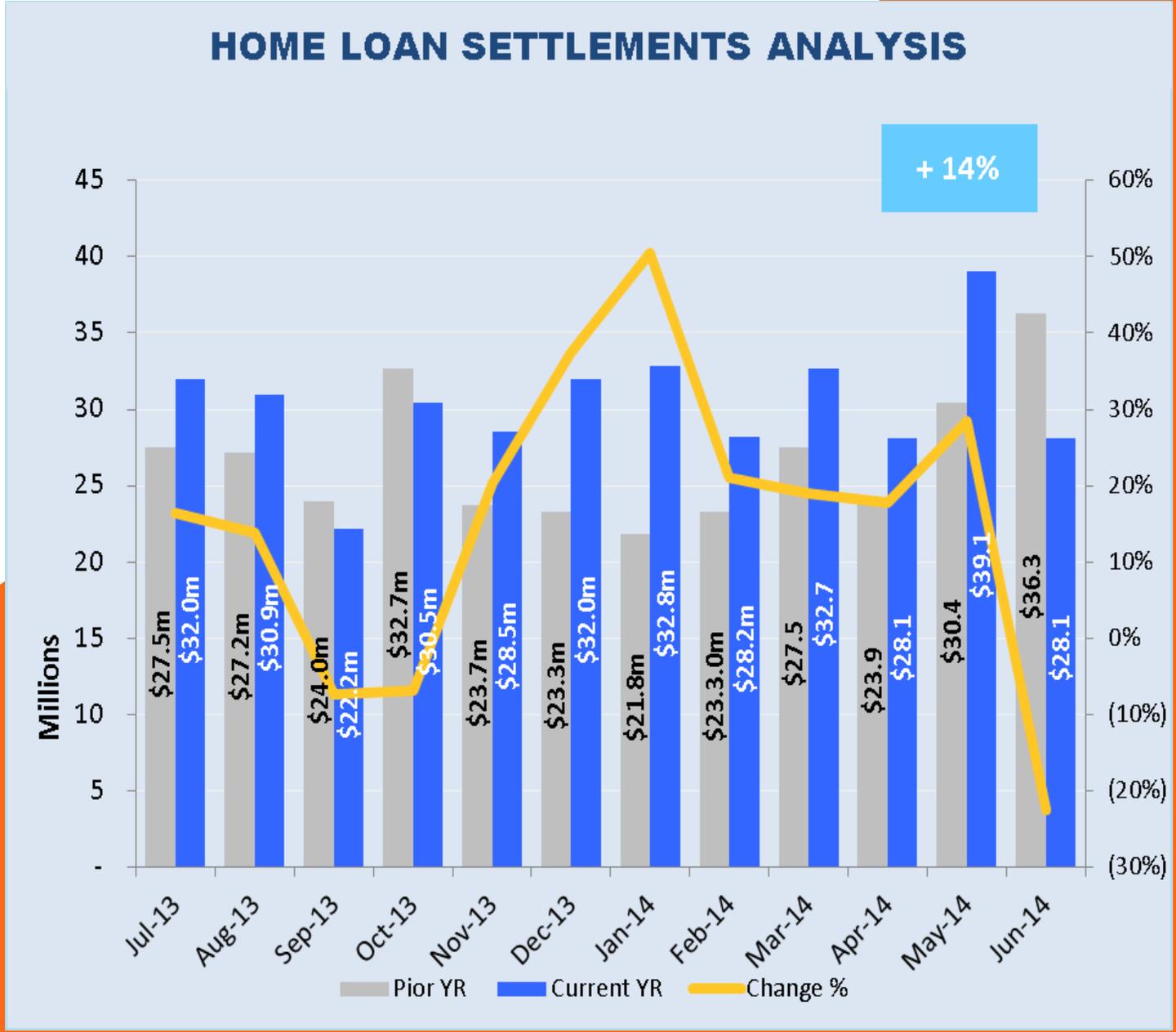
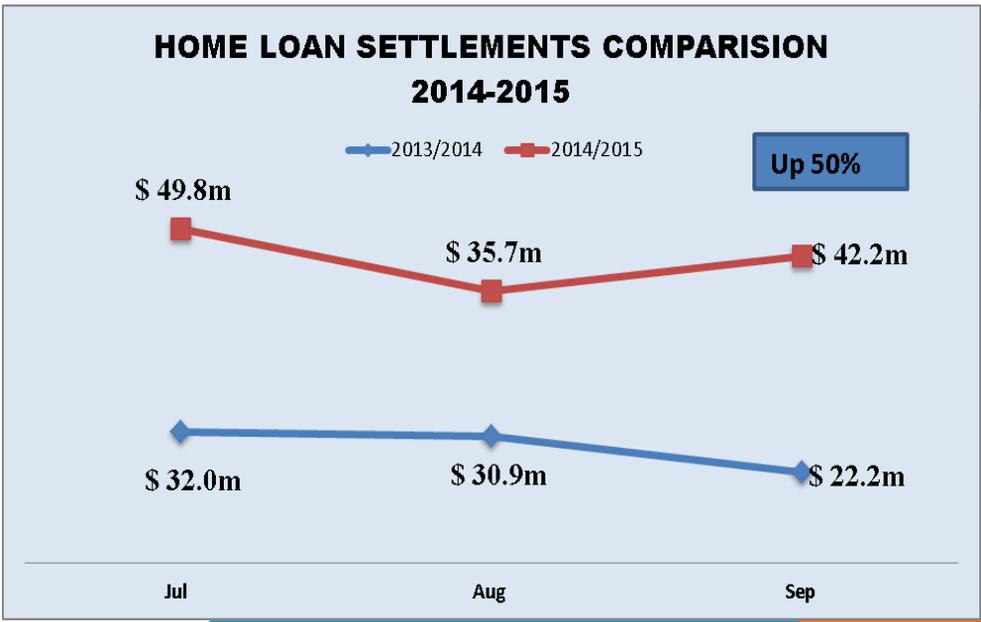


## HOME LOAN APPROVALS ANALYSIS



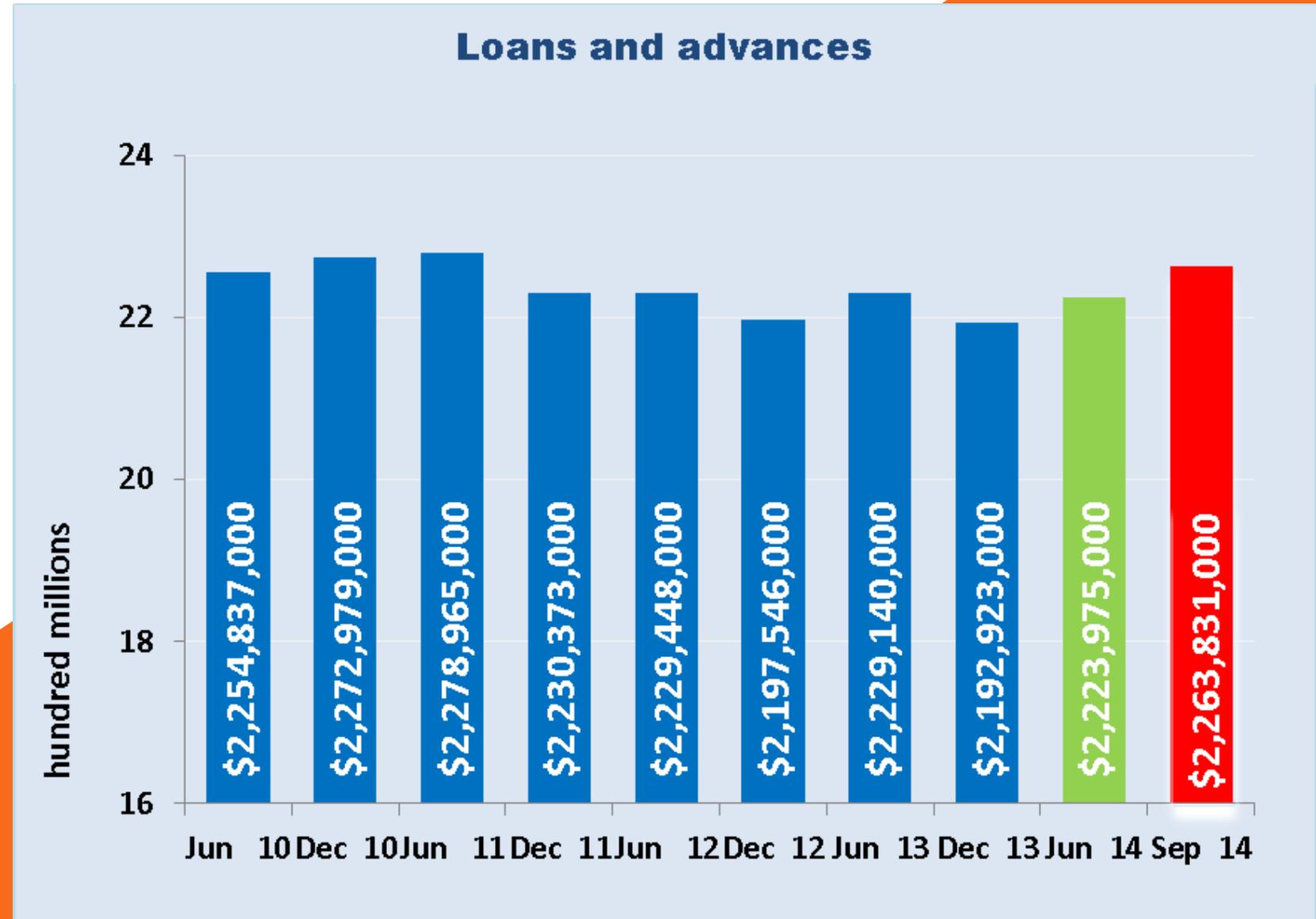
# Loan settlements:

- Strong momentum
- Up 50% Q1 14 v Q1 13
- 9 months of loan book growth



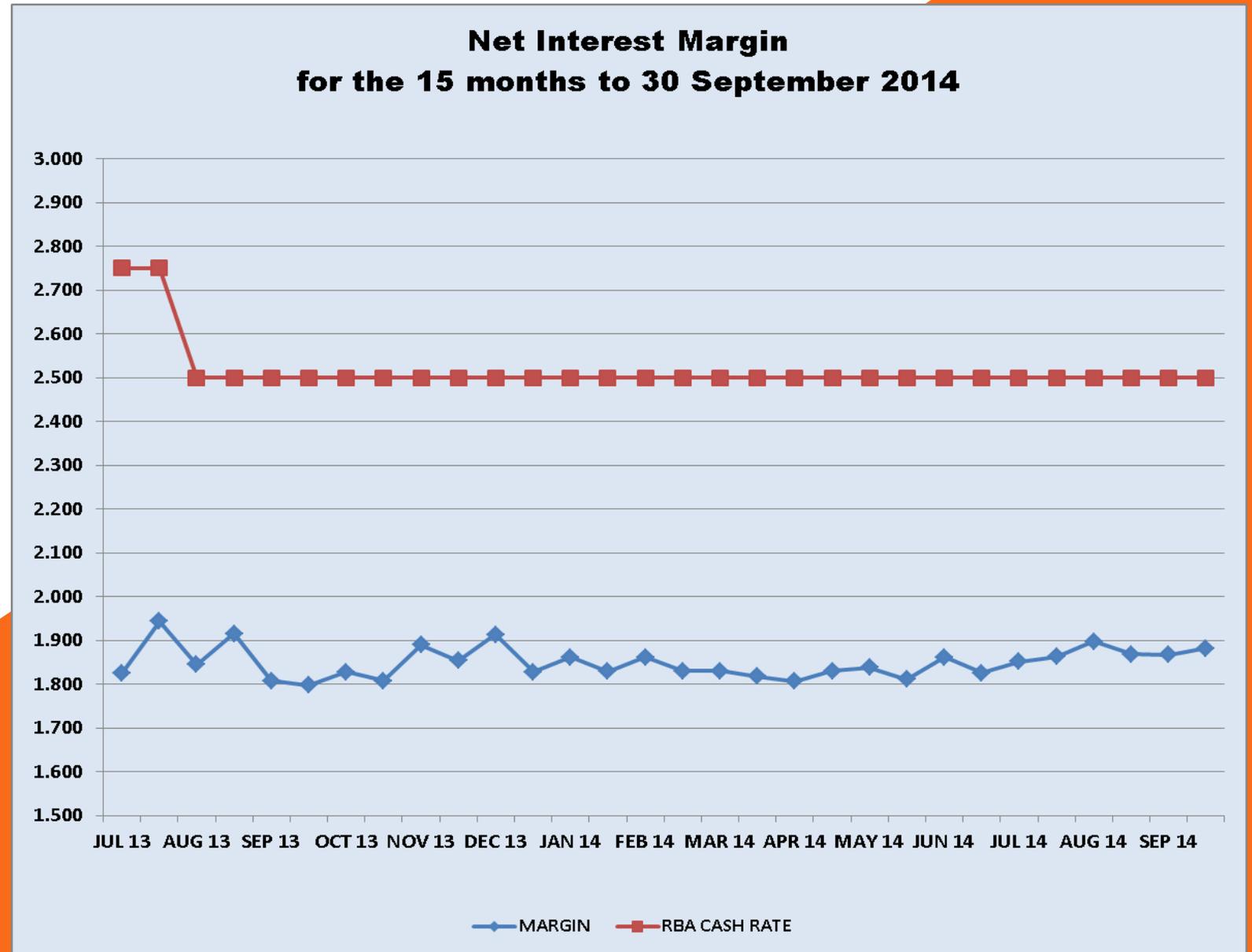
# Loans & advances:

- 9 months of loan book growth
- Growth of 7.2% (annualised) in Q1 14/15



# Net interest margin steady:

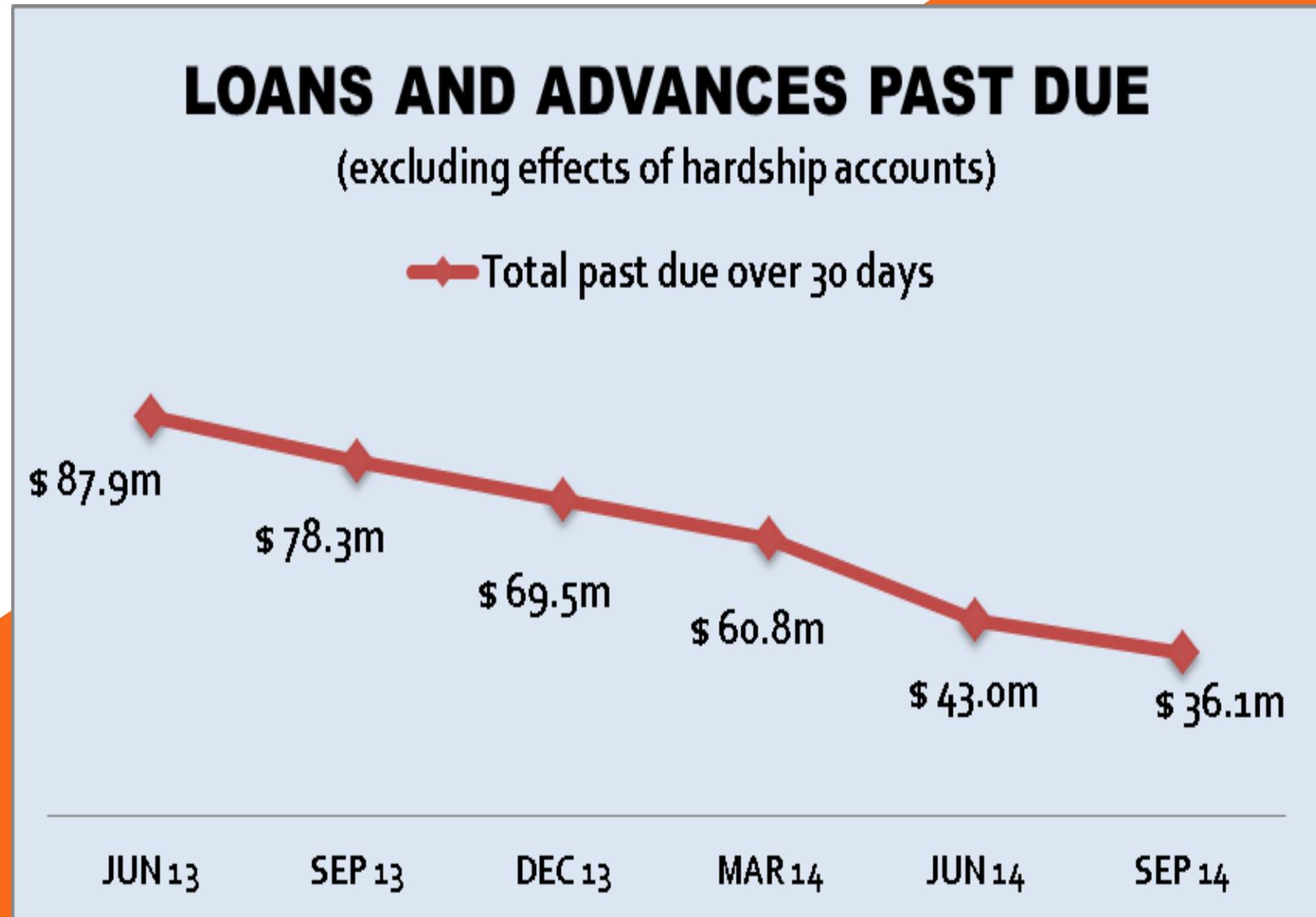
- Pressure from competition for loans
- Management of funding lines:
  - Term deposit & NCD rates down
  - Warehouse spreads down
  - Expensive sub debt rolled over



# Loan arrears trending down:

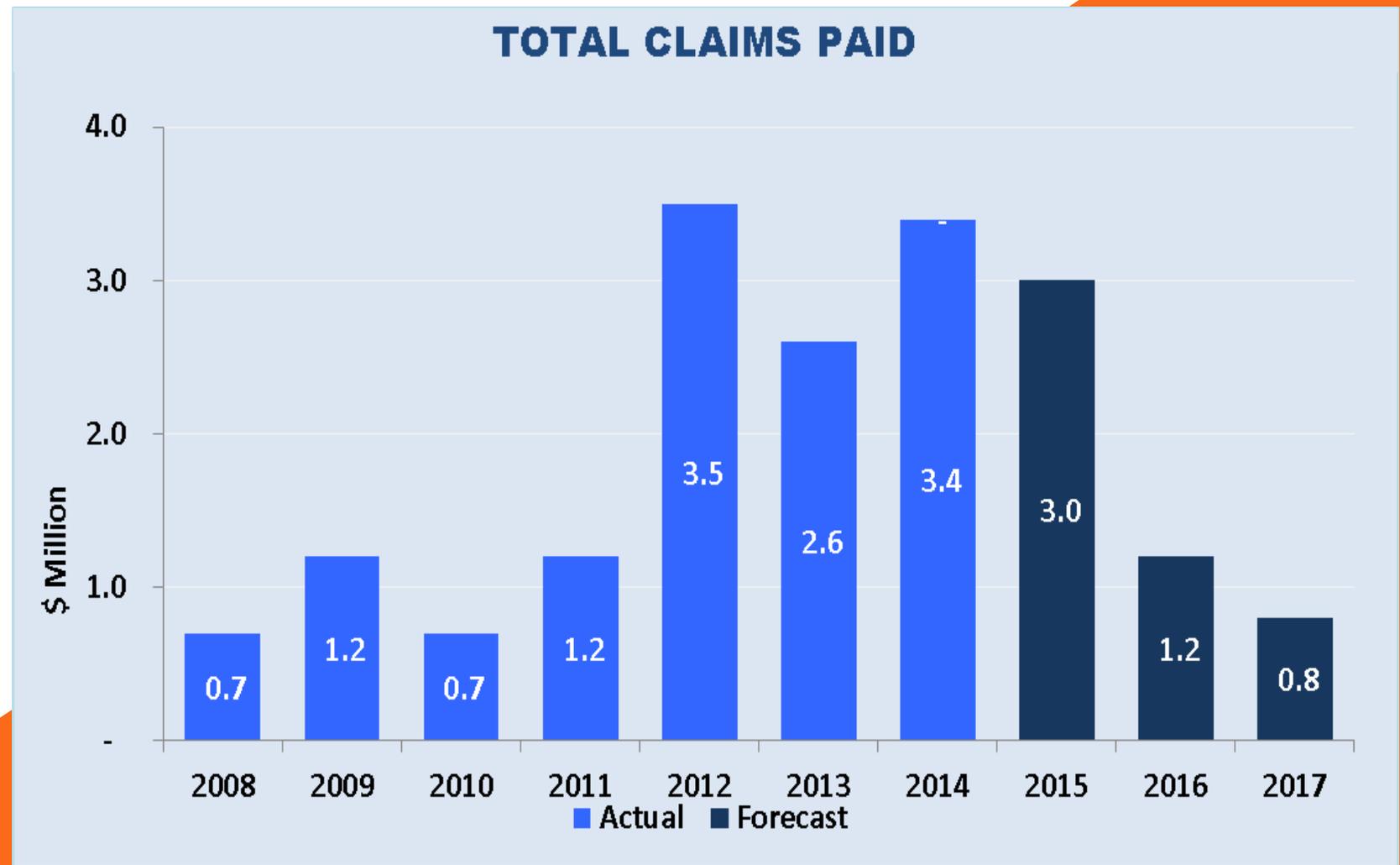
- Additional HR resources
- Enhanced training
- Improved procedures
- Specialisation

Further improvement targeted



# Mortgage Risk Management Pty Ltd:

- Well provisioned
- Claims for 3 years covered
- \$1.8m set aside for new arrears

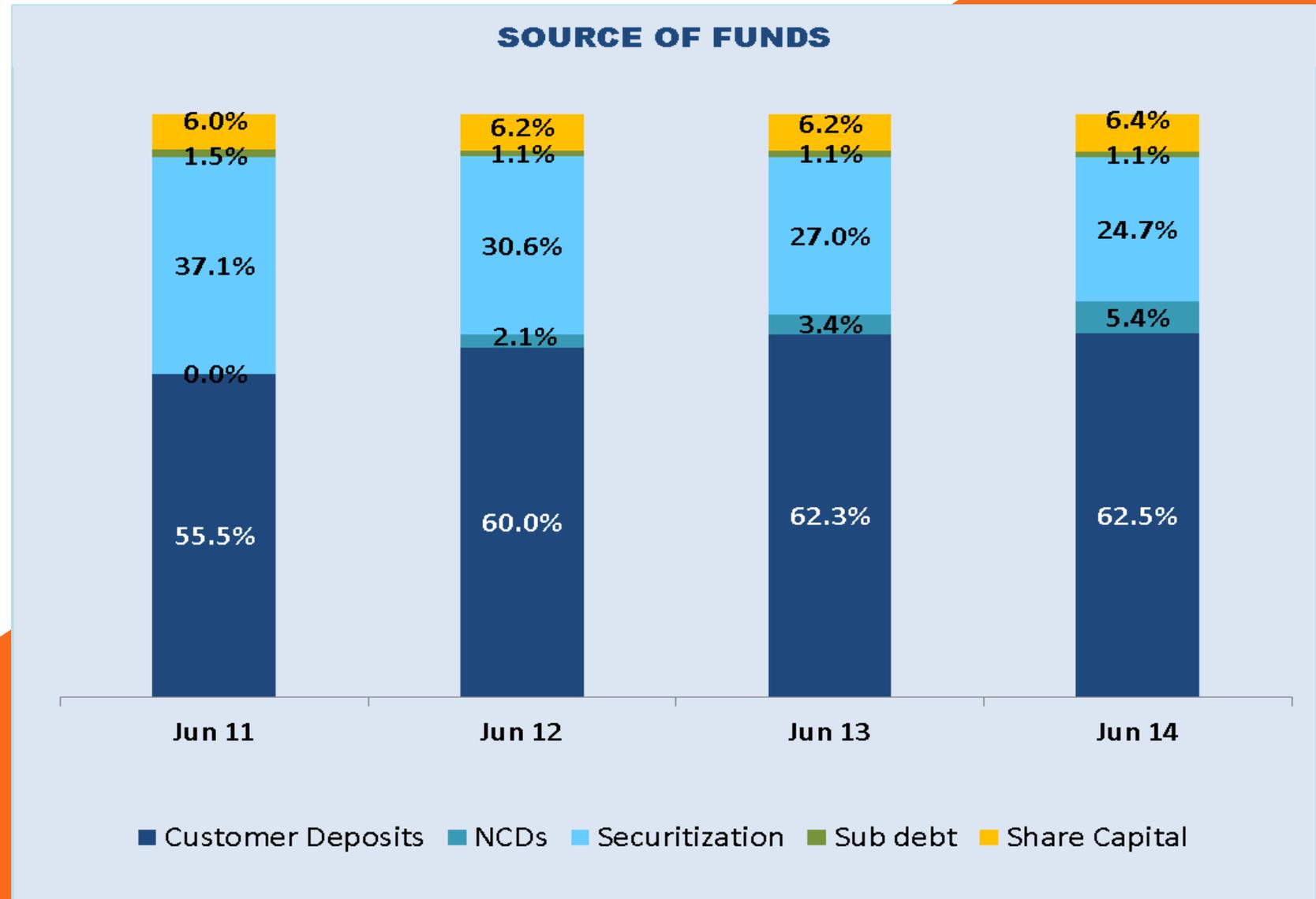


The 'actual' claims represent the payments for actual claims made on bad debts in the financial year.

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.

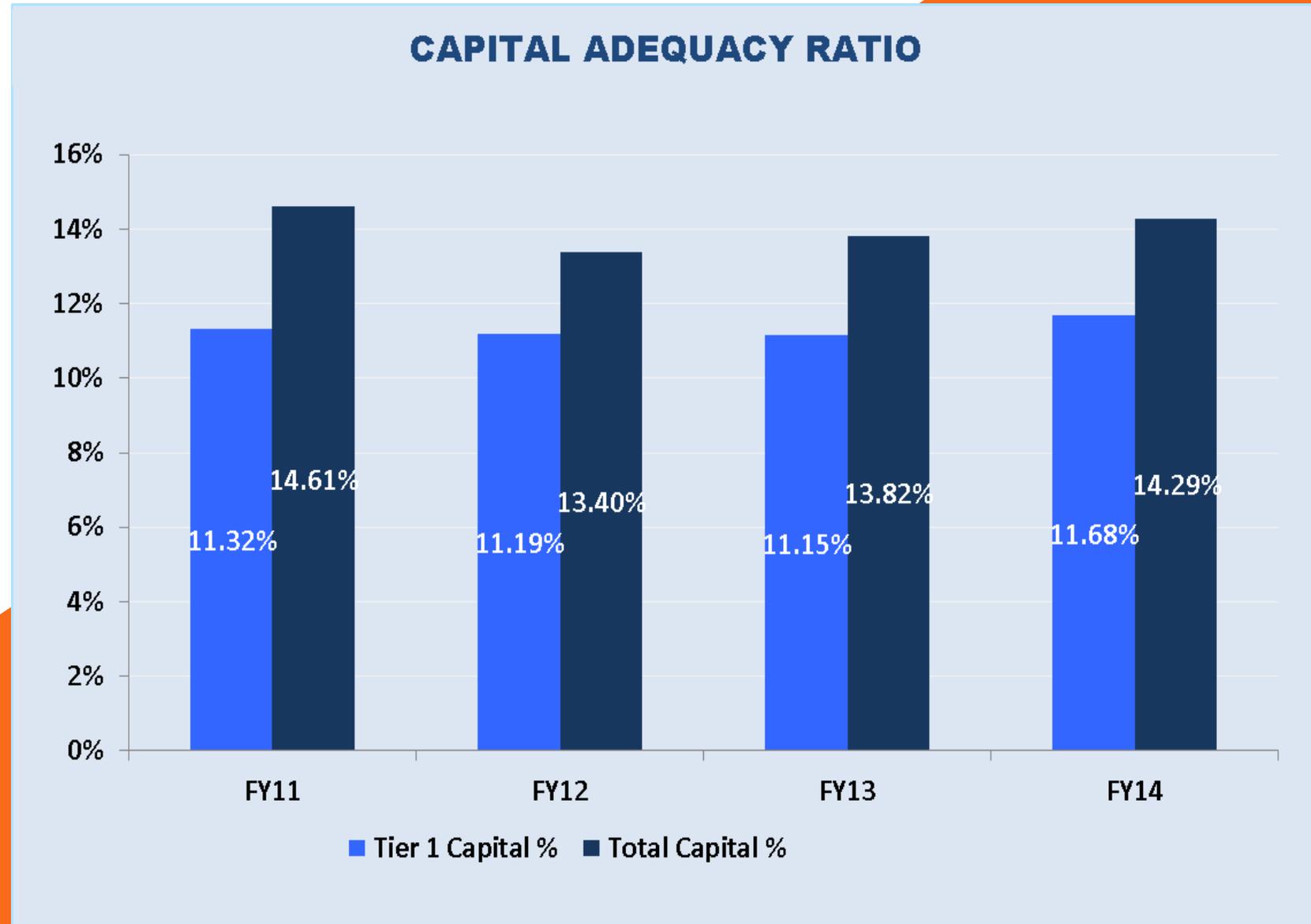
# Funding mix sound:

- Self funding ratio stable
- Securitisation trending down
- NCD's trending to >6%



# Capital remains strong:

- In excess of 13% board target
- Off balance sheet trust in Nov 14
- Maintained at > 14% Dec 14



# Summary

Cash NPAT up 16% in FY 14

EPS up from 33.51c in FY 13 to 38.75c in FY 14

Dividend up from 17.0c in FY 13 to 28.0c in FY 14

Cost to income ratio down from 71.9% in FY 13 to 66.3% in FY 14

Net interest margin remains steady

9 months of loan book growth to September 14

Loan arrears trending downwards

MRM Pty Ltd well provisioned for the future

Capital remains strong at > 14.0%