

10 April 2012

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

Wide Bay Australia Ltd (WBB) – Market Presentation

Please find attached a market presentation to be presented to brokers and prospective institutional investors.

The presentation provides an update of Wide Bay Australia's operating activities and performance.

Yours sincerely,



Bill Schafer
Company Secretary



Roadshow

April 2012

Profile of Wide Bay Australia Ltd

- ▶ Wide Bay Australia's head office is located in Bundaberg, 381km North of Brisbane. Bundaberg & District has a population of around 100,000 people and is predominantly a farming community specialising in sugar cane & small crops.
- ▶ Bundaberg's close location to Gladstone & the Central Queensland mining areas is seen as beginning to develop Bundaberg as an option for families with bread winners working in the mining industry to reside in Bundaberg and travel to Gladstone and the Central Queensland mining industries. Gladstone is a 2 hour drive from Bundaberg.
- ▶ Traditionally the mining industry has a period of days on and off ranging from 4 upwards.
- ▶ Wide Bay has a strong presence in regional Queensland, with a branch network consisting of
 - ▷ 43 branches & agencies in Queensland extending from Robina on the Gold Coast to Cairns
 - ▷ 1 branch in Sydney
 - ▷ 1 branch in Melbourne
 - ▷ 1 lending outlet in Adelaide
- ▶ The Society has been listed on the ASX since 1994.

Profile of Wide Bay Australia Ltd Cont..

- ▶ In December 2011 the Society's credit rating was upgraded to a 'BBB/A2' with a stable outlook by S&P.
- ▶ Wide Bay offers a complete range of financial services and has a 25% interest in Financial Technology Securities Pty Ltd – a financial planning operation based in Brisbane, provincial Queensland & Melbourne. A 25% interest is also held by MLC following NAB's acquisition of Aviva.
- ▶ Wide Bay has predominantly concentrated on
 - ▷ Residential mortgage lending with no 'low doc' or 'sub-prime' loans.
 - ▷ Limited commercial lending activity – with these loans generally secured by commercial or residential property.
- ▶ Until recently, Wide Bay has adopted a policy of insuring all residential mortgage loans with a lenders mortgage insurer but recently adopted a policy consistent with the industry of only insuring loans with an LVR > 80%.
- ▶ Funding until the past 2 years concentrated on the securitisation and wholesale markets with the Society having issued approximately \$3.2 billion in public issues since 1996.

Profile of Wide Bay Australia Ltd Cont..

- ▶ With the slowing of the securitisation market and the introduction of the Government Guarantee – in particular the permanent extension of the Guarantee for deposits for individuals & entities to \$250,000 – the Society has experienced significant growth in retail deposits.
- ▶ Funding mix in 2008 was 53% retail & 47% wholesale, now compared to 66% retail & 34% wholesale.
- ▶ Retail deposits for the 8 months to 29 February 2012 have shown a growth of 7.1%.
- ▶ Wide Bay continues to retain warehouse facilities with both ANZ & Westpac and enjoys an excellent relationship with them.
- ▶ The Society has an established repo facility with the Reserve Bank and was able to obtain funding at attractive rates during the GFC, with this facility current and available for further funding in 'exceptional circumstances'. It also provides liquidity for our holdings of HQLA such as Eligible Assets Back Securities – RMBS.
- ▶ Over the past months the Society has developed a further retail facility, Negotiable Certificates of Deposits ('NCD') & has commenced to receive funds from this avenue. This is considered a significant move as the NCD market in Australia is extremely strong and tends to attract funds at a lesser cost than traditional term deposits & wholesale funding.

Profile of Wide Bay Australia Ltd Cont..

- ▶ With the slowing of the housing market from mid to late 2011, the Society's loan book of \$2.28 billion (30/06/2011) showed a decline for the 6 months as at 31 December 2011 to \$2.23 billion.
- ▶ During this period, Management restructured many of the Society's products, introduced new products and took a more aggressive stance in the market place in negotiating competitive rates. We have increased our use of Brokers to further supplement lending. This move has had an impact on the Society's lending and the past 2 months have seen strong approvals. We expect an improved performance in loan approvals for the remainder of this financial year.
- ▶ Wide Bay has always been cautious of lending on the Gold Coast & Sunshine Coast particularly in regards to units and our current exposure is minimal.
- ▶ The extract on pages 5 & 6 from the Australian Government Publication highlights developments in Queensland.

QUEENSLAND'S MINERAL, PETROLEUM AND ENERGY OPERATIONS AND RESOURCES

Major mining projects and mineral resources

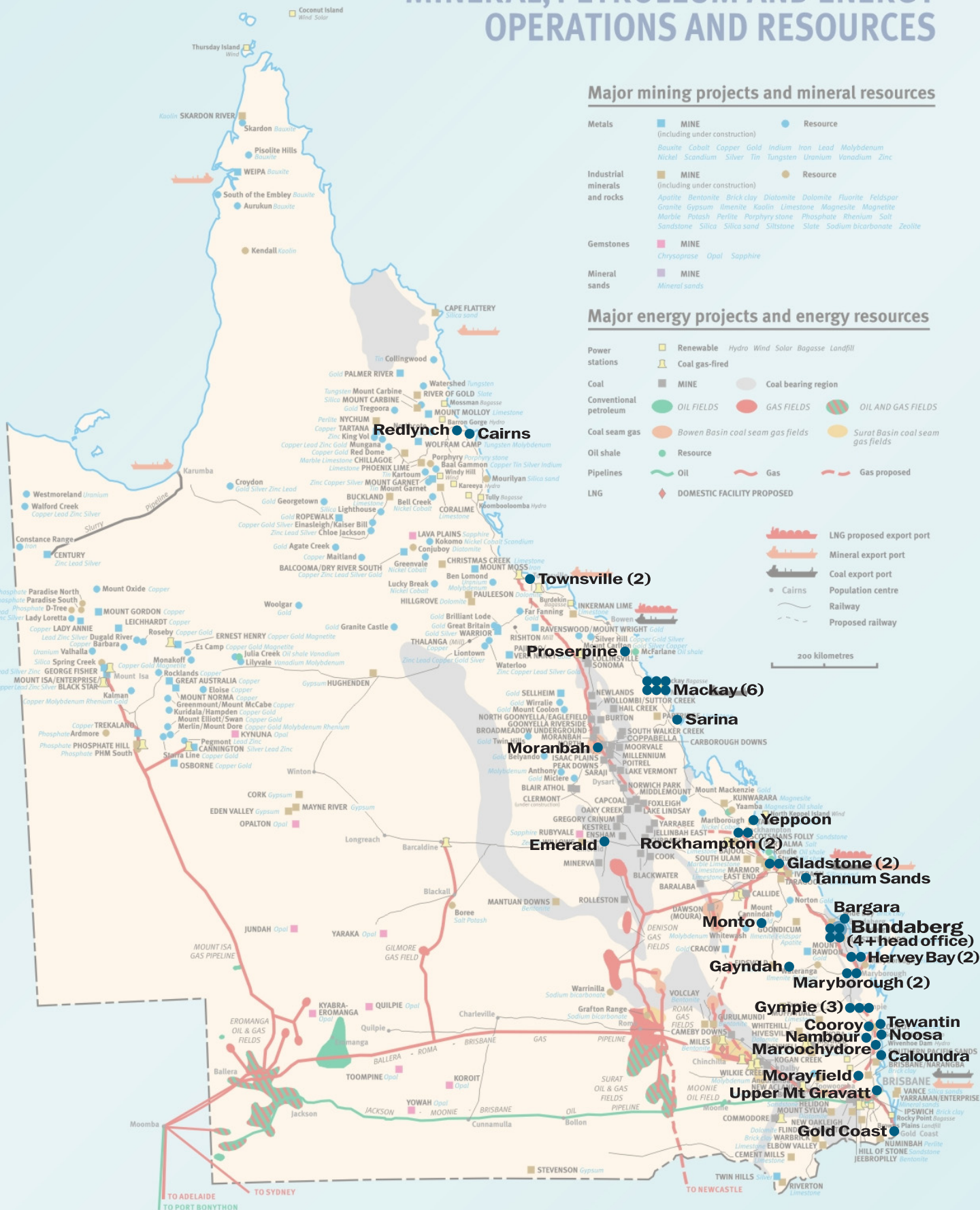
Metals	MINE (including under construction)	Resource
	Bauxite Cobalt Copper Gold Indium Iron Lead Molybdenum Nickel Scandium Silver Tin Tungsten Uranium Vanadium Zinc	
Industrial minerals and rocks	MINE (including under construction)	Resource
	Apatite Bentonite Brick clay Diatomite Dolomite Fluorite Feldspar Granite Gypsum Ilmenite Kaolin Limestone Magnesite Magnetite Marble Potash Perlite Porphyry stone Phosphate Rhenium Salt Sandstone Silica Silica sand Siltstone Slate Sodium bicarbonate Zeolite	
Gemstones	MINE	
	Chrysoprase Opal Sapphire	
Mineral sands	MINE	
	Mineral sands	

Major energy projects and energy resources

Power stations	Renewable Hydro Wind Solar Bagasse Landfill	Coal gas-fired
Coal	MINE	Coal bearing region
Conventional petroleum	OIL FIELDS	GAS FIELDS OIL AND GAS FIELDS
Coal seam gas	Bowen Basin coal seam gas fields	Surat Basin coal seam gas fields
Oil shale	Resource	
Pipelines	Oil Gas Gas proposed	
LNG	DOMESTIC FACILITY PROPOSED	

- LNG proposed export port
- Mineral export port
- Coal export port
- Population centre
- Railway
- Proposed railway

200 kilometres



Thirteenth edition Updated March 2010

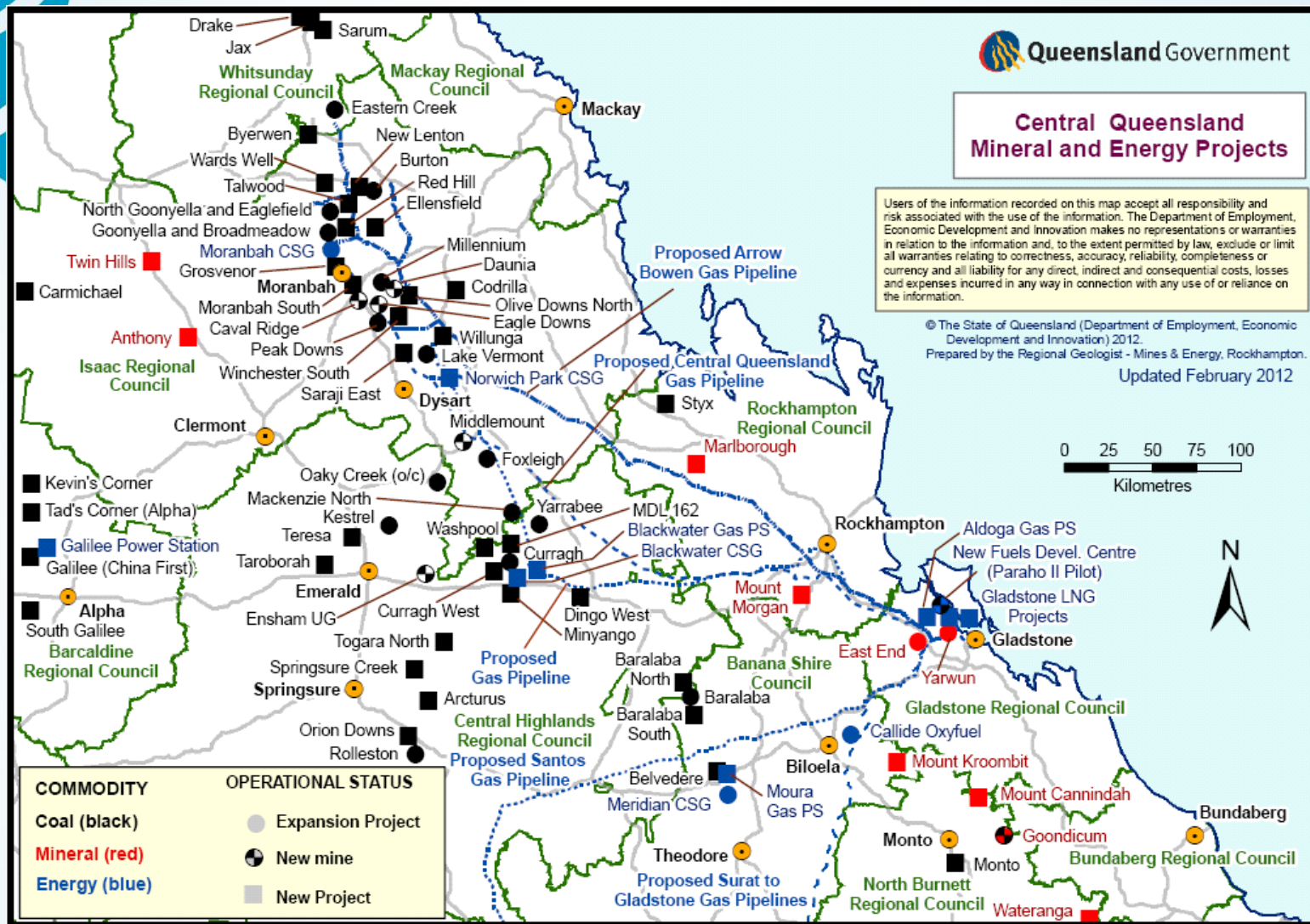
Prepared by Spatial and Graphic Services, Geological Survey of Queensland

© The State of Queensland (Department of Employment, Economic Development and Innovation) 2010

This map is supplied courtesy of the Queensland Department of Employment, Economic Development & Innovation - and is available from their Information Centre: Level 2, Mineral House, 41 George Street, Brisbane
Email sales@dme.qld.gov.au

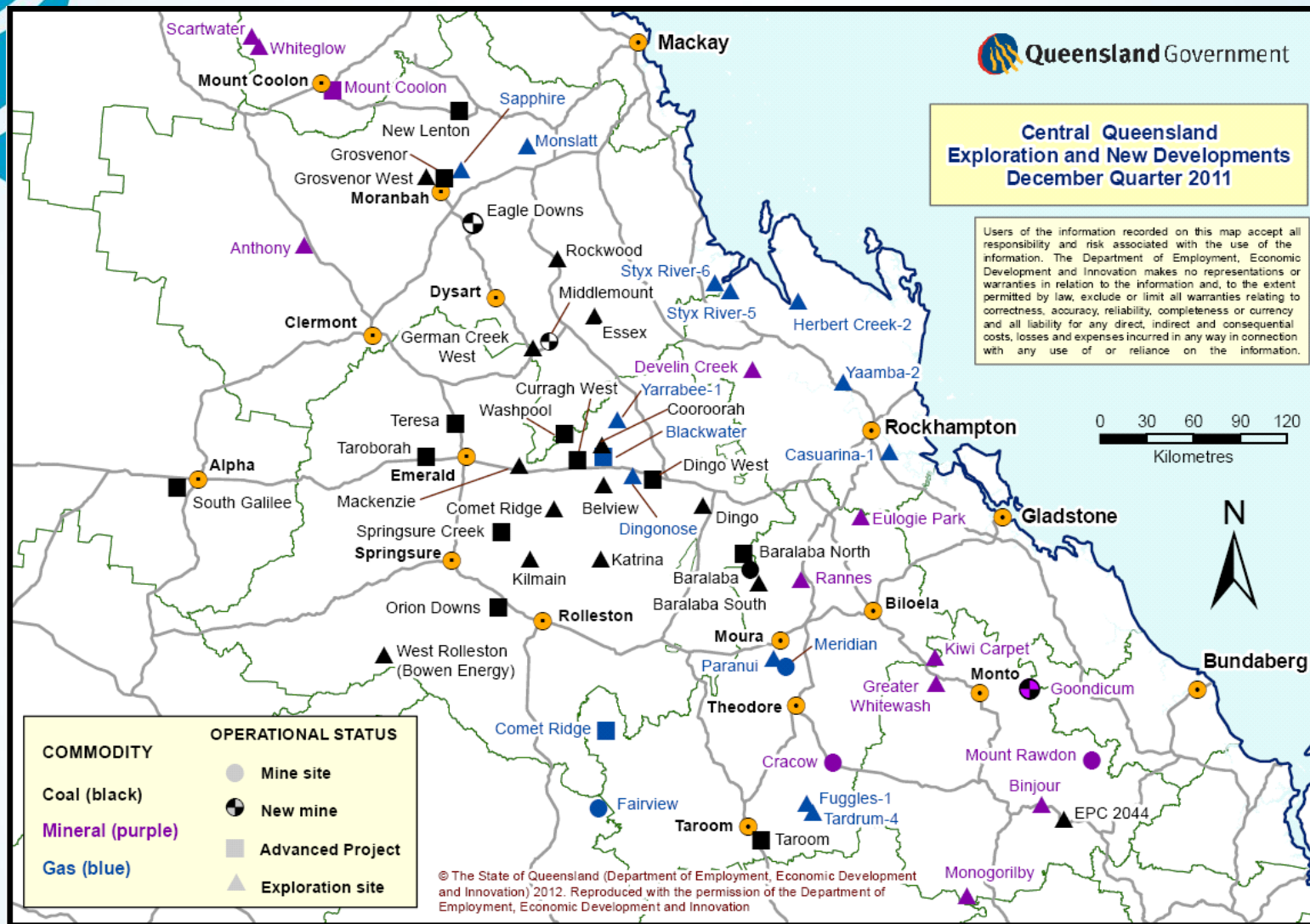
+ INTERSTATE

- New South Wales Parramatta - Sydney
- Victoria Camberwell - Melbourne
- South Australia Adelaide (loans only)



Central Queensland Mineral and Energy Projects

@ February 2012



Central Queensland Exploration and New Developments

December Quarter 2011



**wide bay
australia**
banking your way

Profit & Share Capital

- ▶ Profit for the 6 months declined from the corresponding period from \$11.720 to \$8.733 million. Consolidated profit comprised the results of the chief entity and also the Society's captive lenders mortgage insurance 'Mortgage Risk Management Pty Ltd'.
- ▶ With respect to the chief entity Wide Bay Australia Ltd, the after tax profit was \$8.49 million compared with \$10.02 million for the corresponding period in 2010. The result principally reflected the slow and competitive housing industry throughout the period, which has seen loan approvals for the 6 months decline from \$167 million in 2010 to \$132 million in 2011. This slowing that had been previously forecast also resulted in a decline in the overall loan book of \$49 million.
- ▶ The decline in Mortgage Risk Management's profit from \$1.6 million to \$0.067 million was a result of increased provisioning for loans and arrears as well as significant additional losses on the sale of repossessed property during the 6 months reporting period. During that period, repossessions increased due to inactivity in the housing market and the Society made a conscious decision to clear the repossessions that had been accumulating. This loss on repossessions is not expected to be repeated in the current period with arrears now showing steady improvement and unsold repossessions now reduced to 13. Some of these repossessions could be directly attributed to the financial difficulties experienced by borrowers following the severe natural disasters and floods that occurred throughout Queensland in 2011.

Profit & Share Capital Cont..

- ▶ Liquidity as at 29 February 2012 stood at 15.81% reflecting a strong growth in retail deposits.
- ▶ Capital adequacy (chief entity) as at 29 February 2012 was 13.66% consisting of:
 - ▷ Tier 1 11.49%
 - ▷ Tier 2 2.17%
 - ▷ Compared to the banking sector Tier 1, Wide Bay's 11.49% is a strong result.
- ▶ Dividend declared for 6 months to 31 December 2011 of 22.5 cents per share – fully franked.
- ▶ Dividend Reinvestment Plan discount has been retained at 5.0%.

A Special Culture

- ▶ Wide Bay Australia employs approximately 270 staff of which 130 are employed at Head Office, Wide Bay Australia House in Bundaberg.
- ▶ An experienced Board accepts the responsibility for the overall performance of the Company.
- ▶ Management & Staff are guided by a Corporate Mission to *“work to fulfill the commitments we make to our local communities, our valued customers & shareholders, and the dedicated staff who deliver our promise of banking your way...”*
- ▶ Management & Staff are committed to *“increasing wealth for customers & shareholders; providing a progressive environment for our management & staff and creating opportunities for our communities”*.
- ▶ Corporate Values:
 - Leadership
 - Relationship
 - Performance
 - Growth
 - Ambition
 - Flexibility

Title	Experience
Managing Director	46 th year
Executive Director / Chief Operating Officer	38 th year
Training Manager	35 th year
Administration Manager	33 rd year
Marketing Manager	27 th year
Manager – Retail Outlets (QLD)	17 th year
Manager – Structured Finance, Products and Interstate Operations	17 th year
Chief Information Officer	12 th year
Chief Financial Officer	11 th year
Loans Manager	11 th year
Internal Auditor	10 th year

Current as @ March 2012

Sharemarket Profile

- ▶ Shares currently on issue at 29 February 2012
= 35,844,879
- ▶ Market Capitalisation at 29 February 2012
= \$256.29 million
- ▶ Share price performance
 - ▷ 12 month high \$10.00
 - ▷ 12 month low \$6.90
 - ▷ As at 26 March 2012 \$7.00

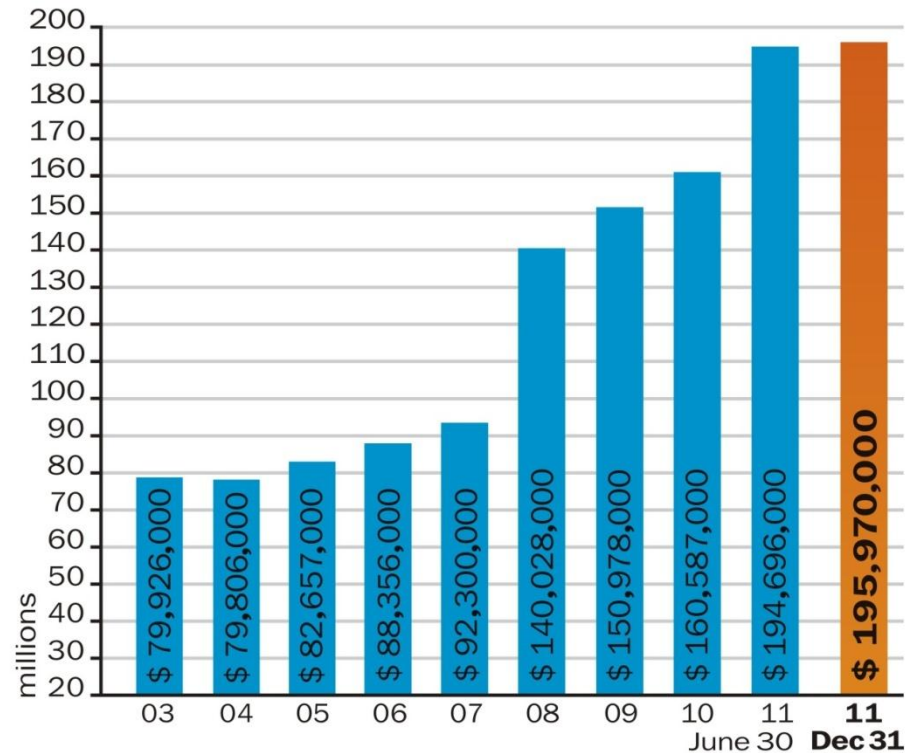
share price history



Sharemarket Profile Cont..

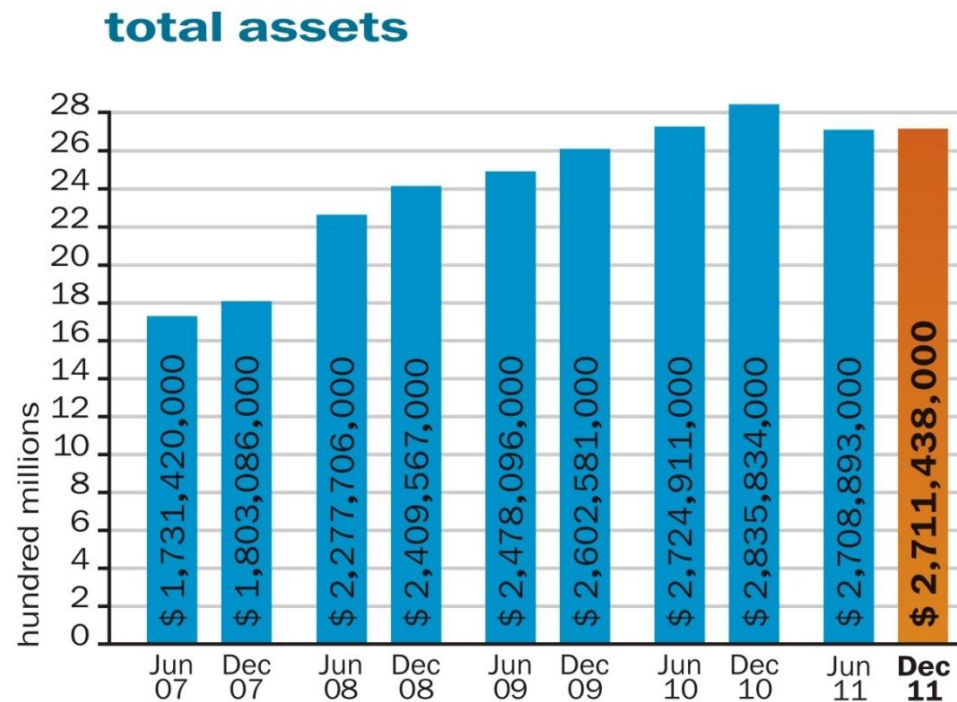
shareholders' equity

share capital and accumulated reserves



Strong Balance Sheet

- ▶ Total assets are in excess of \$2.7 billion



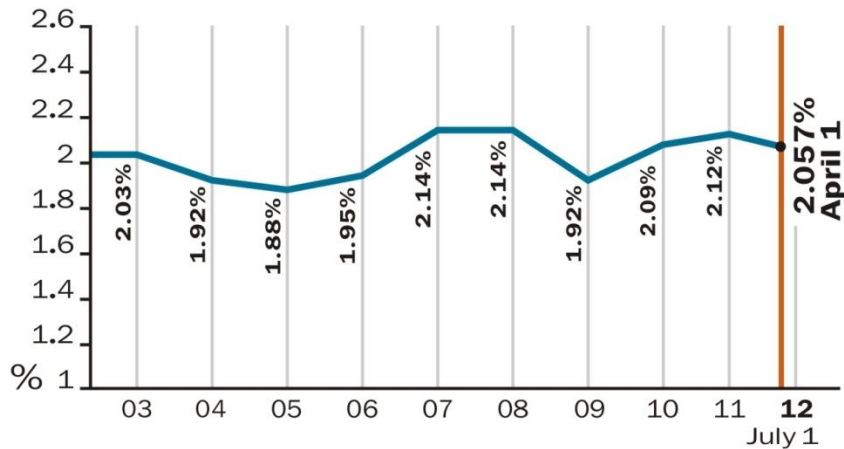
Loans Portfolio

- ▶ Total loans at 31 December 2011 \$2.23 billion

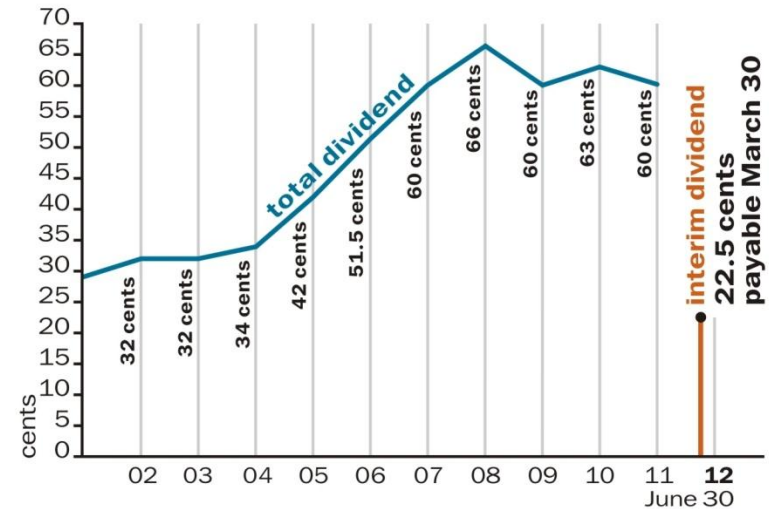


Continued Strong Trading Results

operating margin



dividend history

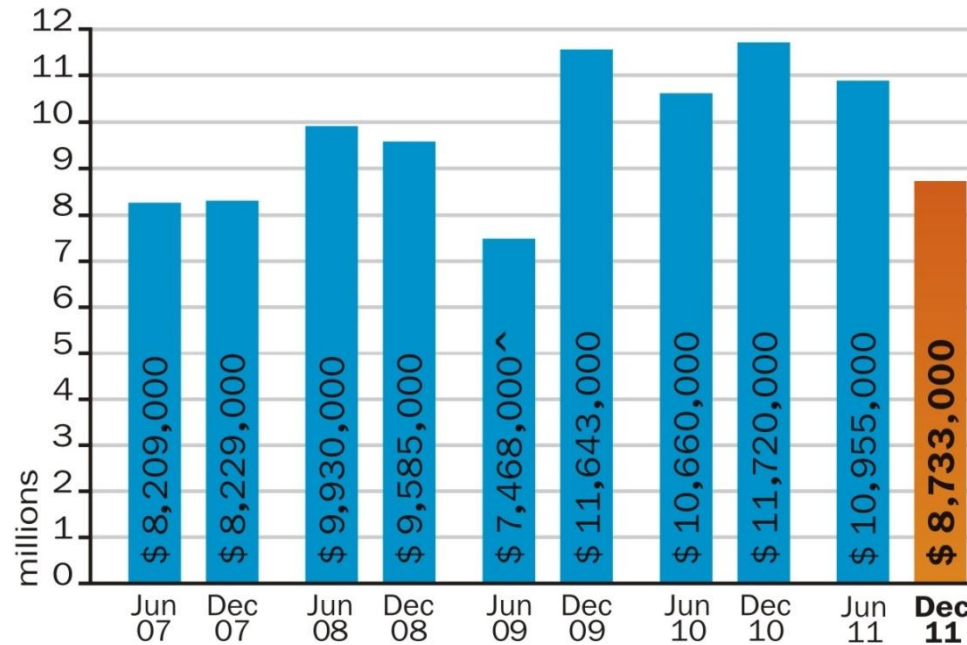


- ▶ A target of 2% margin is constantly maintained.

- ▶ All dividends are fully franked.

Continued Strong Trading Results Cont..

six monthly after-tax profit



[^] after adoption of fair value
of investments in subsidiary

Financial Indicators – Consolidated

	Actual half year to 31 Dec 2010	Actual half year to 31 Dec 2011	
Net Profit after tax – actual	\$11.72m	\$8.73m	
Ordinary Dividends	30.0c	22.5c	
Loans Portfolio	\$2.273bn	\$2.230bn	↓ 1.87%
Total Assets	\$2.836bn	\$2.711bn	↓ 4.39%
Shareholders' Equity	\$190.51m	\$195.97m	↑ 2.86%
Capital Adequacy	13.00%	13.71%	↑ 0.71%
Return on Equity (annualised)	12.30%	8.91%	↓ 3.39%
Return on Average Assets (annualised)	0.84%	0.64%	↓ 0.20%

Corporate Strategy - Summary

- ▶ We will continue to develop our retail funding base resulting in a further decline in wholesale funding. The recent introduction of Negotiable Certificates of Deposit will assist in this area.
- ▶ We have increased the use of Brokers in NSW, VIC & SA to achieve a greater geographical spread and increase our lending.
- ▶ We will retain our wholesale funding facilities with ANZ & Westpac.
- ▶ We will continue to maintain our 'Repo' facility with the Reserve Bank.
- ▶ We will continue to look at opportunities for expansion through relationships, acquisitions or associations.
- ▶ Since the beginning of the GFC and the tightening in the reinsurance market, Wide Bay has limited the use of Mortgage Risk Management – our lenders mortgage insurer – to basically existing borrowers and low LVR loans.

MRM enjoys the same credit rating as Wide Bay, the parent company 'BBB/A2', and while it meets all regulatory requirements, is limited to the credit rating of the parent (Wide Bay). In anticipation of the requirements of Basel III and the development of a new APS 120 Standard, in relation to wholesale funding, MRM will be wound down with the Society electing to insure with the traditional mortgage insurers who hold credit ratings in the range of 'AA-'.
- ▶ The winding down of MRM will progressively release capital to the parent company which will further enhance our Tier 1 ratio.



Directors' Report – for the half year ended 31 December 2011

Wide Bay Australia Ltd achieved a net after-tax consolidated profit for the 6 months to 31 December 2011 of \$8.73 million.

These consolidated results included an after-tax profit for Wide Bay Australia (Chief Entity) of \$8.49 million (2010 \$10.02 million) and Mortgage Risk Management Pty Ltd (MRM) of \$0.067 million (2010 \$1.60 million)

The result for the chief entity principally reflected the slow and competitive housing industry throughout the reporting period, which had seen our loan approvals for the six months, decline from \$167 million in 2010 to \$132 million in 2011. The slowing in the loan approvals had been forecast previously and also resulted in a decline of the overall loan book of \$49 million.

MRM's decline in profit from \$1.60 million to \$67,000 was larger than that foreseen at the time of the Annual General Meeting in November and was the result of increased provisioning required for loans in arrears as well as significant additional losses on the sales of repossessed properties during the six months reporting period, again a direct result of inactivity in the housing market and continued falling house prices in some areas.

Your Directors made a conscious decision to clear the repossessions that had been accumulating and this would not be repeated in the second half of the financial year. Arrears are now showing a steady improvement, with unsold repossessions now reduced to eleven (11).

We are pleased that there has recently been an increase in activity in the housing market and we are also now experiencing an increased demand for housing loans which should result in a stronger performance for the remainder of this financial year.

Wide Bay Australia's S&P credit rating was upgraded in December 2011 from a BBB-/A3 to BBB/A2 with a stable outlook and we believe this new rating will open up additional funding opportunities.



Directors' Report – for the half year ended 31 December 2011 Cont..

Our margins have been maintained at the 2% range for most of the year and at the time of writing this report stood at 1.995%. We continue to target a margin in excess of 2% and recently increased our variable loan rates by 10 basis points in line with many other lenders.

We have declared a fully franked dividend of 22.5 cents per share which will be payable on 30 March 2012. We have also retained a 5% discount on the Dividend Reinvestment Plan for this dividend.

As stated earlier, your Board expects the remainder of the financial year to show improved lending and containment of any further decline in the society's loan book. We also expect a better second half contribution to the group results from MRM.

The Board of Directors extend our appreciation to our shareholders and customers for your ongoing support.

John Humphrey
Chairman

Ron Hancock AM
Managing Director

24 February 2012 - Bundaberg

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