

15 March 2013

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

Wide Bay Australia Ltd (WBB) – Investor Presentation

Please find attached an investor presentation to be presented to brokers and prospective institutional investors.

The presentation provides a review of Wide Bay Australia's operating activities and performance.

Yours sincerely,



Bill Schafer
Company Secretary

OUR FUTURE OUR PRESENT OUR PAST



INVESTOR PRESENTATION 2013



**wide bay
australia**
banking your way



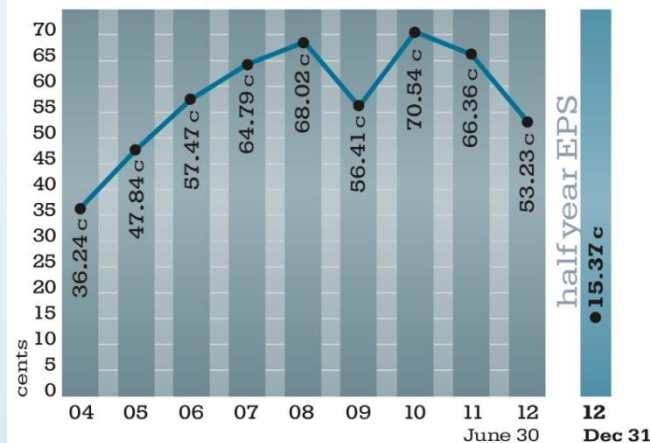
*Grown
on a strong
foundation*

OUR PAST

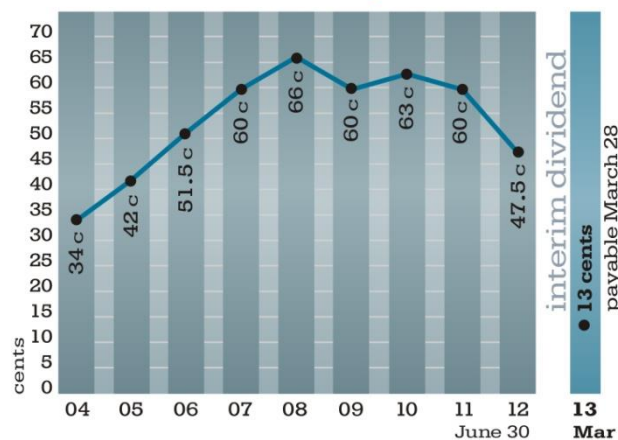
Our History

- ▶ Listed on ASX in 1994
- ▶ Australian Credit & Financial Services Licence 239686 issued by ASIC
- ▶ Australia's 4th largest building society & largest non-bank ADI based north of Brisbane
- ▶ Strong base in regional Queensland as a result of M & A and organic growth
 - ▶ Burnett Permanent B/S - Bundaberg
 - ▶ Maryborough Permanent B/S - Maryborough & Hervey Bay
 - ▶ Gympie & North Coast B/S - Gympie & Sunshine Coast
 - ▶ Port Curtis B/S - Gladstone & Rockhampton
 - ▶ Mackay Permanent (ASX Takeover 2008) - Mackay & Whitsundays
- ▶ Standard & Poors 'BBB/A2' credit rating with stable outlook

earnings per share (EPS)



dividend history



share price history





Time for
Change

**OUR
PRESENT**

Our Presence

- ▶ 42 retail outlets from Cairns (Nth Qld) to Robina (Gold Coast) & West to Emerald (Central Highland & Coalfields) & Loan Investment Centres in Parramatta (Sydney) and Camberwell (Melbourne) (For details see Appendix A - This map is produced by the Queensland Government & highlights resource developments in Queensland & the location of Wide Bay Australia's branch network relative to those developments)
- ▶ Brand recognition reinforced through community partnerships, sponsorships etc.
- ▶ Operating in some of Queensland's fastest growing communities (For details see Appendix B)

Our Products

- ▶ Experienced in our core services
 - ▶ Home mortgages
 - ▶ Term deposits, transaction & savings accounts
 - ▶ Banking services such as Visa Debit, Internet & Mobile Banking
 - ▶ Limited commercial/margin lending
- ▶ Both Retail (Branch) and Third Party mortgage channels
 - ▶ Approximately 20 dedicated Loan Consultants operating at a local level
 - ▶ Accreditation agreements with mortgage brokers including several major aggregators (Choice, AFG, Connective etc.)
 - ▶ 25% owned subsidiary (Financial Technology Securities Pty Ltd)
- ▶ Product partnerships with recognised brands

HOME LOANS BANKING INVESTING INSURANCE
CREDIT CARDS TRAVEL MONEY WEALTH PLANS BUSINESS FINANCE CAR LOANS

Our People & Culture

Board

- ▶ Multi talented and experienced Board with 'old & new blood'

Leadership

- ▶ Ron Hancock, Managing Director retired on 4 February 2013
- ▶ Martin Barrett, appointed as new CEO (For details see Appendix C)
- ▶ Bill Schafer, commenced Wide Bay in April 2001 as CFO (For details see Appendix C)
- ▶ Experienced leadership team, many with long tenures, who know & understand the business and markets.

Team

- ▶ 265 staff > Bundaberg Head Office - 115 Staff and Branches - 150 Staff

Culture

- ▶ Strong service ethic based on 'mutual status' origins

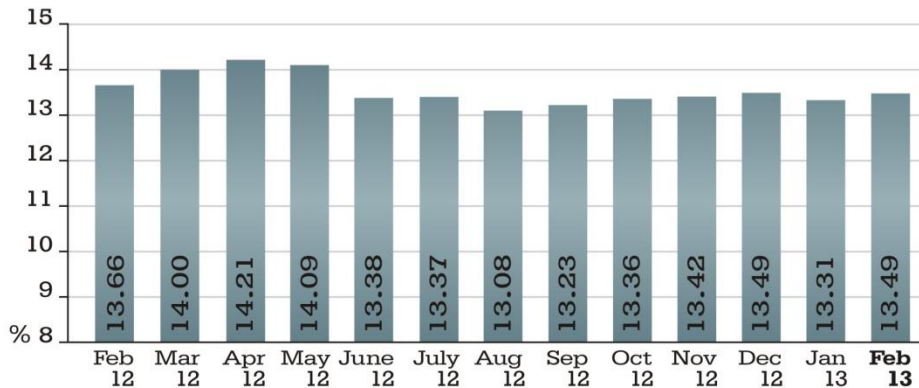
Capital

OUR PRESENT

- ▶ Strong capital position with excellent capacity, particularly strong Tier 1 position
- ▶ Chief Entity has \$20.4m invested in MRM and it is expected a gradual return of capital may result from MRM's 'wind-down'
- ▶ Basel III - incorporated changes January 2013 and impact is immaterial

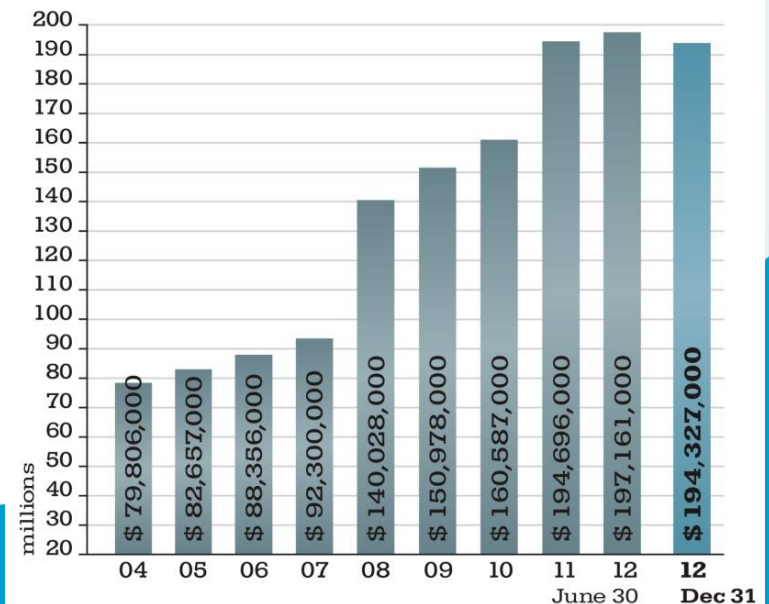
monthly capital adequacy

as at February 28, 2013



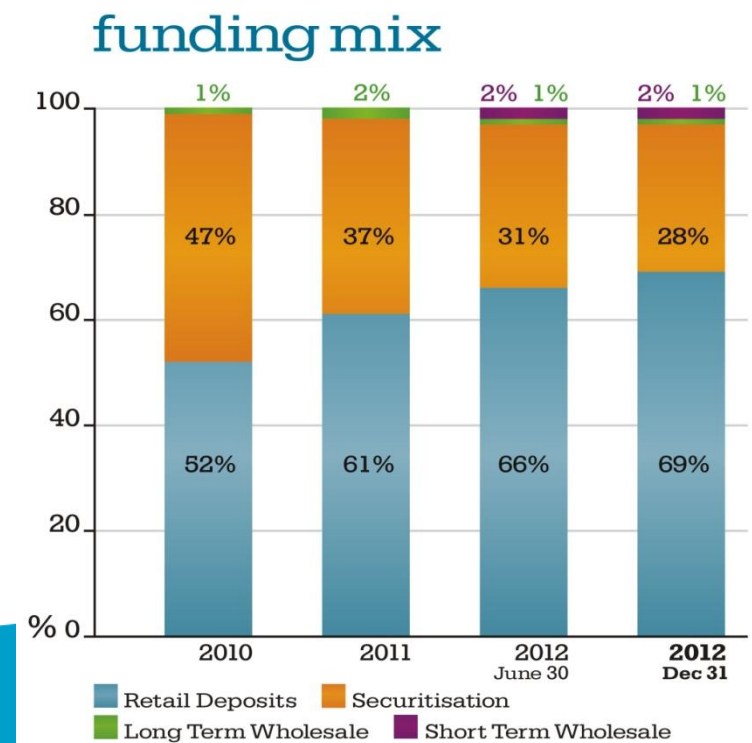
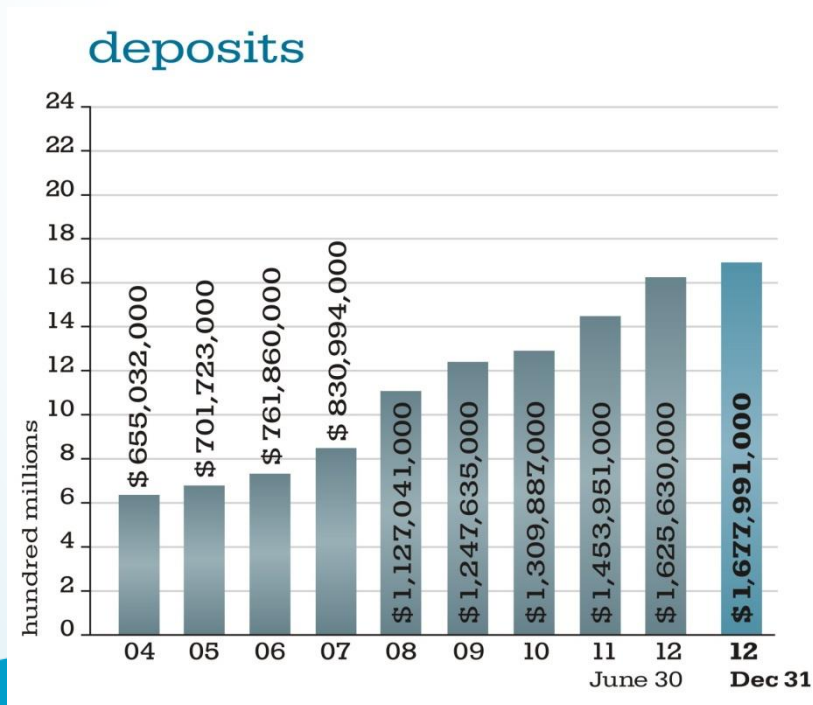
shareholders' equity

share capital and accumulated reserves



Deposits & Funding

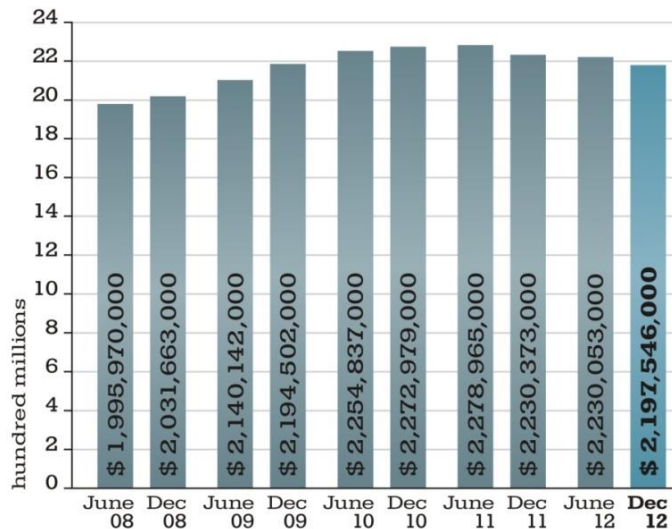
- ▶ Diversified funding sources:
 - ▶ Retail Deposits
 - ▶ Negotiable Certificates of Deposit (NCD's)
 - ▶ Securitisation
 - ▶ RBA 'repo' facility in place if required with no funding outstanding



Loans

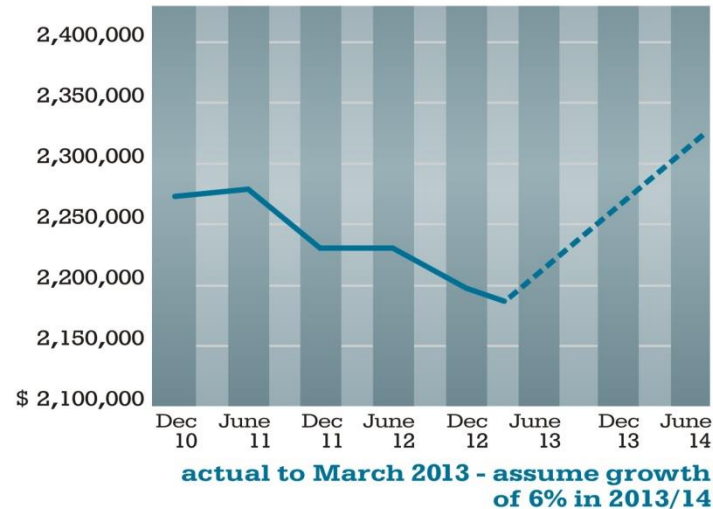
- ▶ Loan book has contracted falling \$83m since June 2011 with the primary reduction in the 3rd party space
- ▶ Flood impact appears minor with 0.1% of loan book identified as high risk

loans portfolio



loans and advances

July 2010 to June 2014



**wide bay
australia**
banking your way

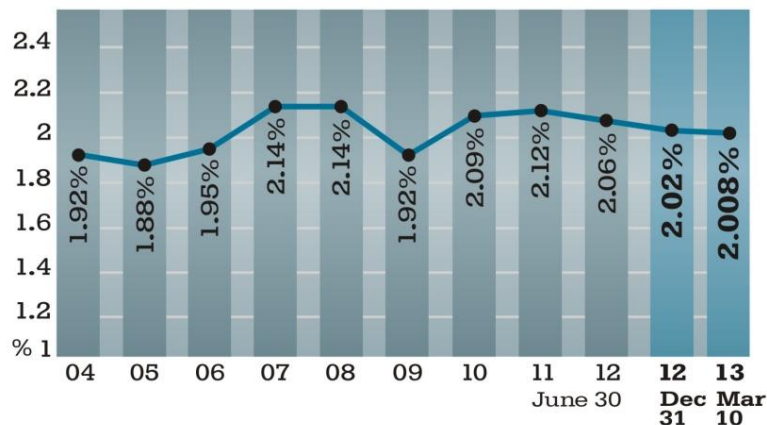
Revenue & Expenses

- ▶ Revenue for the half year down by 15.19% due to contraction in loan book and falling interest rates
- ▶ Expenses up by 7.44% principally due to one-off costs associated with M & A activity and provision for doubtful debts (@\$1.4m)
- ▶ MRM, 'captive' LMI subsidiary is in 'wind-down' after transfer of bulk of mortgage insurance to QBE LMI
- ▶ Margin maintained in 2% range

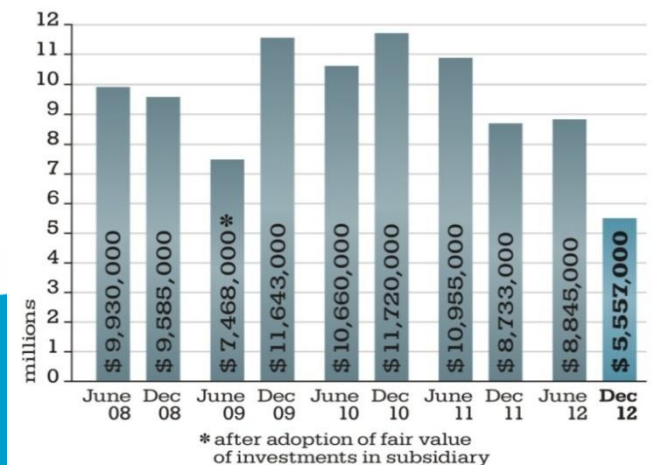
Profit, Dividends & DRP

- ▶ Consolidated NPAT for six months to 31 Dec 2012 of \$5.557m (down 36% on corresponding period)
- ▶ Chief Entity \$6.447m (2011: \$8.49m) & MRM loss of \$0.994m (2011: \$0.067m surplus)
- ▶ Interim full franked dividend of \$0.13 cps payable on 28 March 2013
- ▶ In view of current & expected future capital position, the DRP was suspended on 21 August 2012 until further notice

operating margin



six monthly after-tax profit



A white, paneled door is open, revealing a bright, sunny outdoor scene. The view outside shows a lush green field in the foreground, leading to a clear blue sky with scattered white clouds. The light from the outdoors casts a bright glow on the floor and the lower part of the door.

OUR FUTURE
we're under way!

Our New Strategic Plan

- ▶ Development in progress and to be provided to Board by May 2013
- ▶ Recommending key deliveries and expectations in:
 - ▶ Corporate Positioning
 - ▶ Customers
 - ▶ Products
 - ▶ People
 - ▶ Segment/Channel Opportunities

Our New Vision

“To be the **leader** in retail banking in our communities.
We achieve this through our **exceptional** people
providing an **exceptional** customer experience.
We will always **exceed** expectations”



Our Values

Our values are:

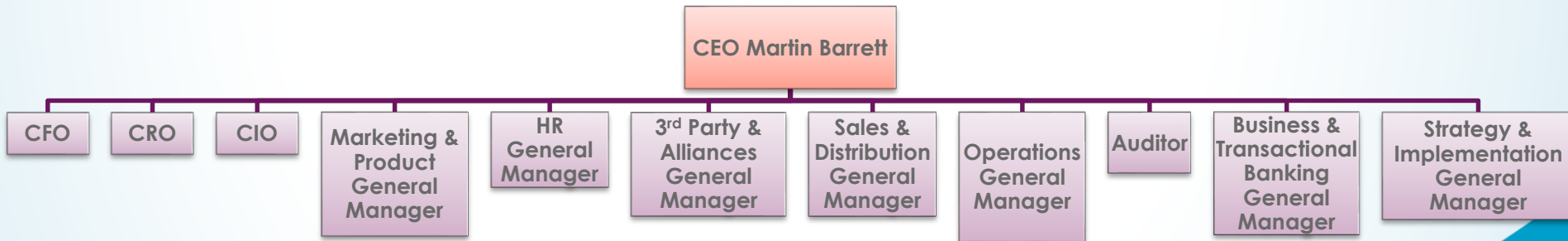
- ▶ **LEADERSHIP** - We demonstrate outstanding leadership to ensure we control our destiny, build on our reputation & add to our achievements.
- ▶ **PEOPLE** - We value the contributions of all our people & recognise them as critical to our success.
- ▶ **RELATIONSHIPS** - We value our customers, shareholders & business partners, appreciate their loyalty & are determined to deliver an exceptional experience.
- ▶ **PERFORMANCE & GROWTH** - We are committed to performing & working smarter to grow our business in a sustainable way.
- ▶ **AMBITION** - We will succeed as a company & as a good corporate citizen.
- ▶ **FLEXIBILITY** - We adapt quickly to change & are opportunistic & innovative in our response.

Our Positioning

- ▶ Banking Licence - future opportunity?

Our Structure

- ▶ A new leadership structure aligned to channels including new talent with proven track records



Core Business

Lift Performance

► Home Loans

- Lender performance and minimum expectations set
- Recruit high quality lending talent & performance manage poor performers
- Goal to reduce loans attrition by 50%
- Simplify existing products, review product features, interest rates and third party commission structures
- Sharpen third party offering and revisiting our approach
- Introduce innovative new lending products
- Review and revise lender incentive program

► New goals & expectations being set across the network

► Invest in our people with sales & product training

► Review resources and repoint to areas of most opportunity

► Personal Loans

- Introduce new product by 30 June 2013 – estimated sales 600 per annum for 1 year, nil cost

Core Business Cont..

► Cross Sales

- Increase insurance sales
- Increase transactional banking – salary credits

► Establish Human Resources

- Clearly established KPI's
- Performance Management
- Improve quality and consistency of recruitment
- Incentives/Remuneration etc

Review Costs

- Simplify & consolidate products to decrease administrative & management costs
- Review of property costs
- Tighter cost control regarding acquisition opportunities
- Technology which reduces administration and customer information costs
- People productivity review and uplift of performance
- Increase ratio of sales personnel to administrative personnel
- Branch productivity and opportunity review.



New Segments/Channel Opportunities

OUR FUTURE

- ▶ Diversify revenue and capture business currently not serviced or partly serviced
- ▶ 3rd Party Channel
 - ▶ Dedicated strategy
 - ▶ Manage to customer and niche
 - ▶ BDM establishment
 - ▶ Relationships building and better communications
 - ▶ Mortgage Alliance build
- ▶ Business Banking (SME)
 - ▶ 6 month capability build on current modest platform???
 - ▶ SME Focus
 - ▶ Leverage on geographic and service goodwill in Queensland
 - ▶ Hire knowledgeable SME business banking performers
 - ▶ Feedback is strong – our core region (Sunshine Coast, Wide Bay, Central Qld & Mackay) wants Wide Bay in this space
- ▶ Invest in Mobile/Electronic Technology & Tools
 - ▶ Enhanced operating system for improved customer/staff interface
 - Windows based system which incorporates CRM
 - Document imaging, online forms, batch scanning and other productivity tools
 - Project roll-out anticipated for September 2013

New Segments/Channel Opportunities Cont..

- ▶ Increased automation of 'back-office' functions such as payment processing
- ▶ Enhance/improve website and online banking for online product sales
- ▶ Mobile app with leading functionality to capture younger market - retention & acquisition strategy

Revenue

▶ Current State:

- ▶ Retail Home Loans
- ▶ Broker Home Loans
- ▶ Insurance Sales
- ▶ Investment income

▶ Future State:

- ▶ Retail Home Loans
- ▶ Broker Home Loans
- ▶ Personal Loans
- ▶ Business Banking
- ▶ Mobile/Online Sales
- ▶ Insurance Sales
- ▶ Investment income

Funding Strategy

- ▶ Ongoing monitoring and forward planning of funding lines and opportunities
- ▶ Strongly supported by institutional expertise
- ▶ Ongoing review of cost and strong management of lines i.e. recent reduction in margin in warehouse facilities
- ▶ Our strategy will be to continue to fund growth through retail deposits with the ability to extend existing wholesale funding facilities
- ▶ Our expectation is that the cost of funds may continue to ease following improved conditions in financial markets

Acquisitions

- ▶ Acquire quality home loan books as and when they become available
- ▶ Review & assess small business banking books when & if they become available
- ▶ Review & assess acquisition/mergers with other CUB's as & when they become available & add strategically to the business

Corporate Directory



- ▶ **Martin Barrett** BA(ECON) MBA
Chief Executive Officer
 - ▶ (07) 4150 4001
 - ▶ mbarrett@widebayaust.com.au



- ▶ **Bill Schafer** B.Com CA
Chief Financial Officer
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 - ▶ bschafer@widebayaust.com.au

▶ Registered Office

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16-20 Barolin Street
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- ▶ Telephone (07) 4150 4000
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Important Notices

This Presentation has been prepared for Wide Bay Australia Ltd ABN 40 087 652 060, Australian Financial Services and Australian Credit Licence Number 239686, ASX Code WBB. The information is current as at 14 March 2013.

Financial amounts

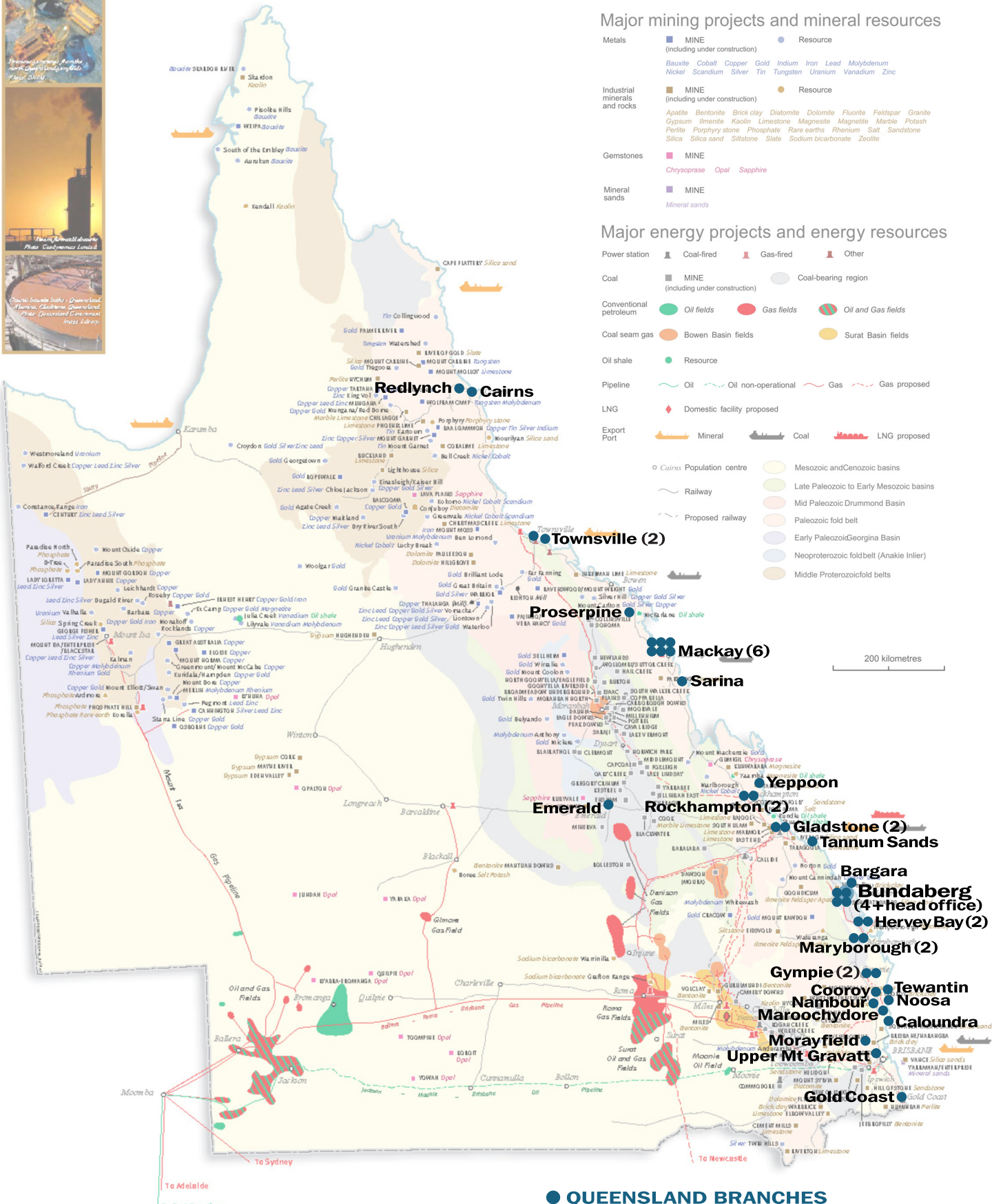
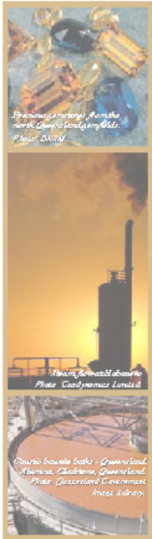
All dollar values are in Australian dollars (A\$) and financial data is presented as at the date stated. Pro-forma financial information and past information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of WBB's views on its future financial 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.

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 judgement 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.

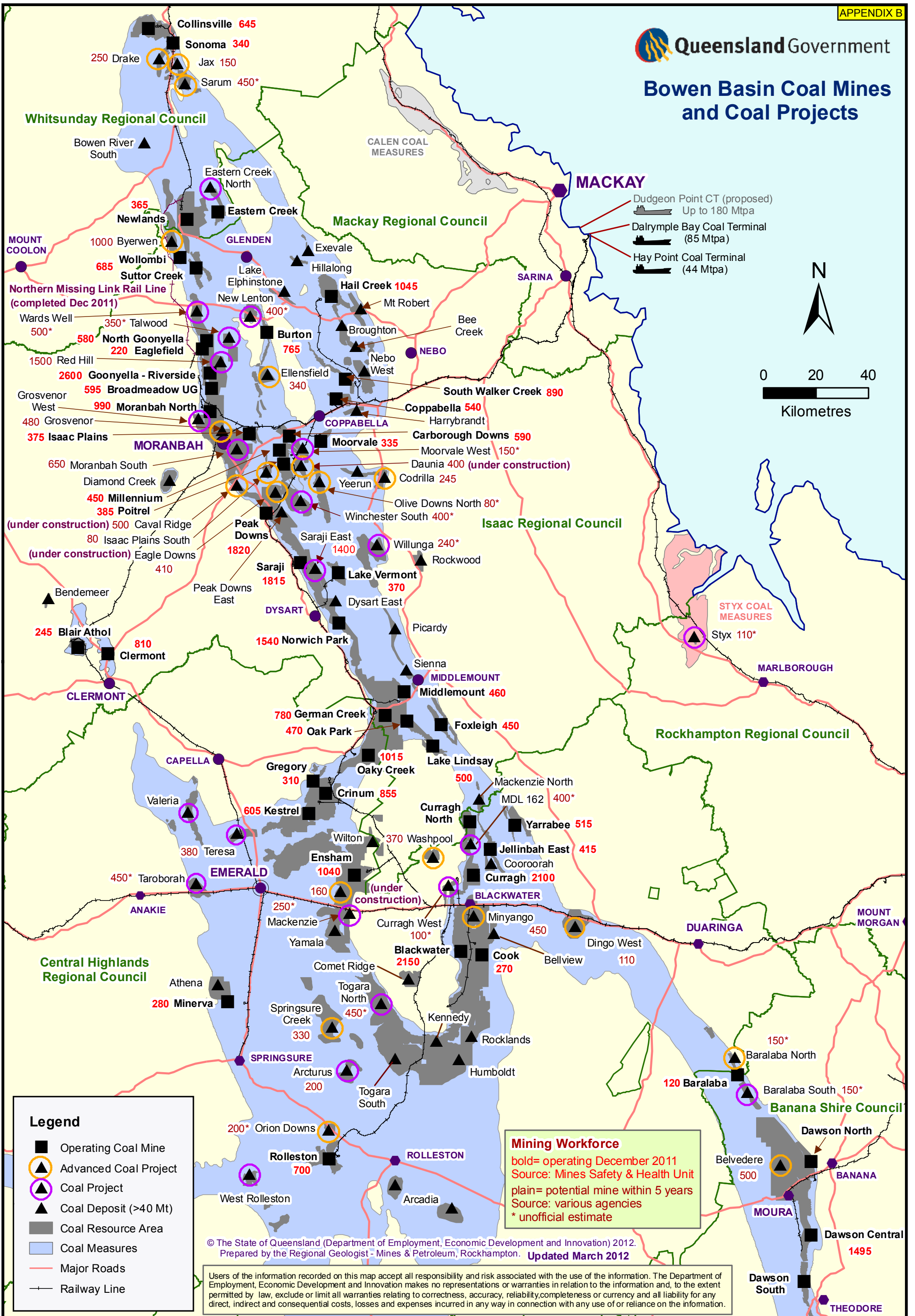
Queensland's Mineral, Petroleum and Energy Operations and Resources





Queensland Government

Bowen Basin Coal Mines and Coal Projects



Legend

- Operating Coal Mine
- ▲ Advanced Coal Project
- ▲ Coal Project
- ▲ Coal Deposit (>40 Mt)
- Coal Resource Area
- Coal Measures
- Major Roads
- Railway Line

Mining Workforce

bold= operating December 2011
 Source: Mines Safety & Health Unit
 plain= potential mine within 5 years
 Source: various agencies
 * unofficial estimate

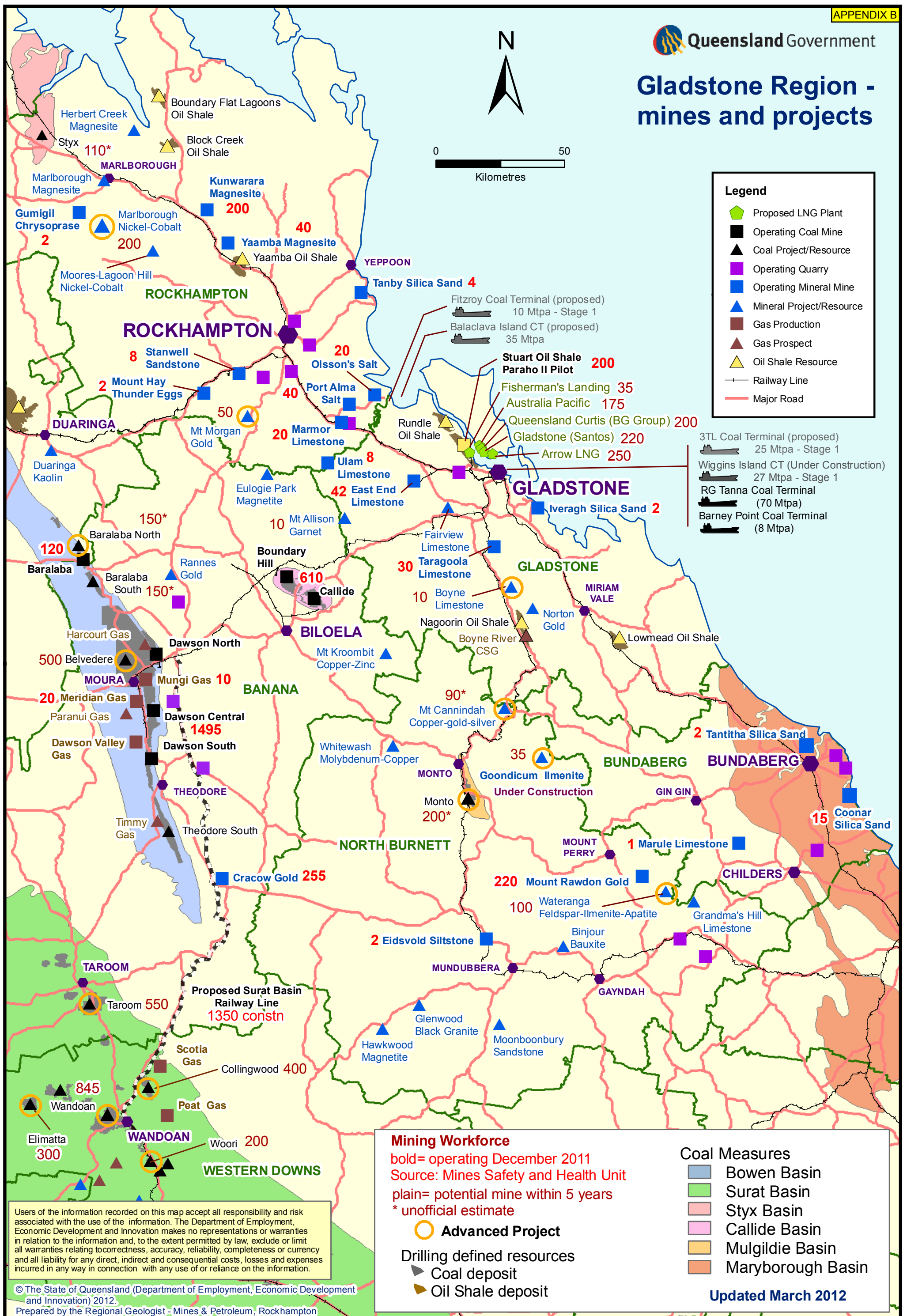
© The State of Queensland (Department of Employment, Economic Development and Innovation) 2012.
 Prepared by the Regional Geologist - Mines & Petroleum, Rockhampton. Updated March 2012

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Queensland Government

Gladstone Region - mines and projects





Population growth: Queensland

June quarter 2012

Source: ABS 3101.0, released 18 December 2012, 10.30 am AEST

Key Data

Preliminary estimated resident population (ERP) at 30 June 2012:

Queensland.....	4,560,059
Australia	22,683,573
Qld share of national population	20.1%

Population growth (12 months to 30 June 2012):

Queensland.....	1.9%
Australia	1.6%
Qld share of national growth	23.9%

Main findings

- Queensland's preliminary ERP at 30 June 2012 was 4,560,059 persons (20.1% of the Australian population).
- Queensland's population increased by 85,961 persons over the 12 months to 30 June 2012 (Figure 1), 9,569 more than the 76,392 increase recorded in the 12 months to 31 March 2012.
- Queensland (1.9%) recorded the second-highest population growth rate of all jurisdictions and a higher rate than the nation (1.6%) in the 12 months to 30 June 2012 (Figure 2).
- Net overseas migration made the largest contribution to population growth in Queensland in the 12 months to 30 June 2012 (47.1%) followed by natural increase (39.2%) and net interstate migration (13.7%).
- Natural increase in the year ending 30 June 2012 was 33,693 persons, a slight decrease from the 34,380 persons recorded during the 12 months to 31 March 2012 (Figure 3).
- In the 12 months to 30 June 2012, net overseas migration to Queensland was 40,472 persons. This was higher than the level recorded during the 12 month period to 31 March 2012 (37,074).
- Net interstate migration comprised 11,796 persons of population change in Queensland over the 12 months to 30 June 2012, an increase from the 11,183 persons recorded during the 12 months to 31 March 2012.

Queensland components of population increase

	12 months to 30 June 2012	% of growth
Natural increase	33,693	39.2
Net overseas migration	40,472	47.1
Net interstate migration	11,796	13.7
Total	85,961	100.0

Figure 1: Annual population increase, Queensland*

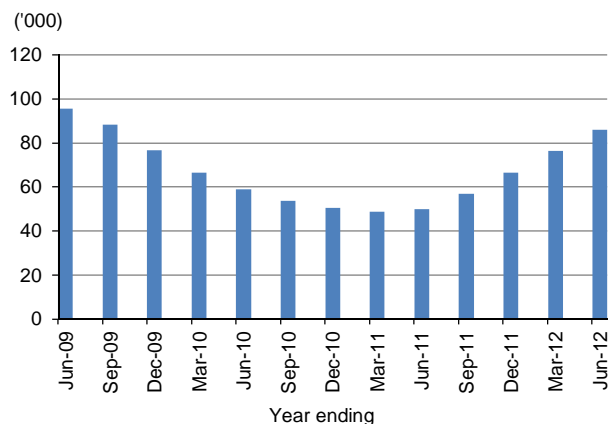


Figure 2: Population growth rate, Australia and states and territories, year ending 30 June 2012

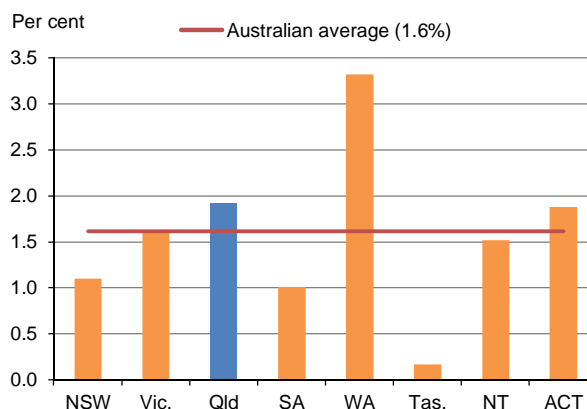
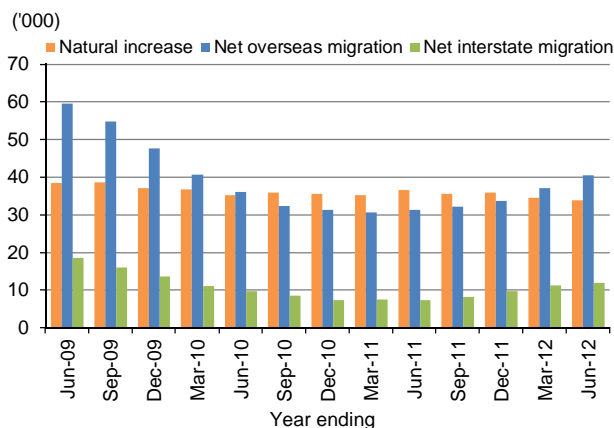


Figure 3: Annual population increase by components of growth, Queensland



* ERP figures quoted in this brief up to the June 2011 quarter are preliminary rebased using the 2011 Census results and subject to revision. Further information on rebased estimates is available in the Queensland Treasury and Trade brief: *Population: Rebased estimates, Queensland 2007 to 2011*. ERP figures from the September 2011 quarter onwards are preliminary.



Population Growth: Regional Queensland, 2010-11

Source: ABS 3218.0, released 31 July 2012, 11.30 am AEST

Introduction

This brief is based on population estimates rebased by the Australian Bureau of Statistics according to Census 2011 results. These estimated resident population (ERP) figures are known as preliminary rebased estimates. This brief replaces a previous 2010-11 regional population growth brief using ERPs released prior to rebasing.

Commentary

At 30 June 2011, Brisbane, Gold Coast, Moreton Bay and Sunshine Coast were the largest local government areas (LGAs) by population size in both Queensland and Australia (Table 1).

Seven of Queensland's top 10 LGAs by population size at 30 June 2011 were located in South East Queensland (SEQ). Only Townsville, Cairns and Toowoomba (ranked 6th, 8th and 9th respectively) were located outside SEQ.

The largest population increases over the year to 30 June 2011 in Queensland LGAs occurred in Brisbane (13,950), Moreton Bay (7,660) and Gold Coast (5,364). Brisbane, Logan, Redland and Gladstone all recorded larger annual increases in the year to 30 June 2011 than in the previous year (Table 2).

Of Queensland LGAs with populations of 2,000 or more, Cook (6.5%) recorded the highest growth rate in the 12 months ending 30 June 2011, followed by Palm Island (4.5%) (Table 3). Cook also recorded the largest acceleration in annual population growth compared with the previous year (3.1 percentage points).

Population growth in the Greater Brisbane Capital City Statistical Area moderated slightly in the 12 months to 30 June 2011, compared with the previous 12 month period (from 1.7% to 1.6%). This trend was evident in all Australian state capital cities with the exception of Perth (Table 4).

Table 1: Ten largest local government areas by population at 30 June 2011, Queensland

Qld ranking	Aust ranking	Local government area	Population (number)
1	1	Brisbane (C)	1,089,743
2	2	Gold Coast (C)	513,954
3	3	Moreton Bay (R)	389,661
4	4	Sunshine Coast (R)	316,858
5	6	Logan (C)	287,517
6	19	Townsville (C)	180,389
7	24	Ipswich (C)	172,147
8	30	Cairns (R)	162,740
9	36	Toowoomba (R)	154,931
10	46	Redland (C)	143,628

Table 2: Ten largest¹ population increases in local government areas, Queensland

Qld ranking	Local government area	Increase 2009-10	Increase 2010-11
— number —			
1	Brisbane (C)	13,702	13,950
2	Moreton Bay (R)	10,239	7,660
3	Gold Coast (C)	7,198	5,364
4	Ipswich (C)	5,205	4,637
5	Logan (C)	4,366	4,577
6	Townsville (C)	2,505	2,408
7	Sunshine Coast (R)	3,378	1,969
8	Redland (C)	1,443	1,784
9	Mackay (R)	1,500	1,434
10	Gladstone (R)	311	1,349

Table 3: Ten fastest¹ growing local government areas², Queensland

Qld ranking	Local government area	Increase 2009-10	Increase 2010-11
— % —			
1	Cook (S)	3.4	6.5
2	Palm Island (S)	4.4	4.5
3	Northern Peninsula Area (R)	5.3	3.1
4	Ipswich (C)	3.2	2.8
5	Gladstone (R)	0.5	2.3
6	Weipa (T)	0.7	2.1
7	Western Downs (R)	1.2	2.1
8	Moreton Bay (R)	2.8	2.0
9	Somerset (R)	2.8	1.9
10	Lockyer Valley (R)	1.8	1.7

Table 4: Greater Capital City Statistical Area³ populations and growth rates, Australia

	Estimated resident population at 30 June		Increase	
	2010	2011	2009-10	2010-11
— number —				
Sydney	4,550,200	4,605,992	1.4	1.2
Melbourne	4,108,441	4,169,103	1.7	1.5
Brisbane	2,113,025	2,146,577	1.7	1.6
Adelaide	1,253,778	1,262,940	1.1	0.7
Perth	1,785,076	1,832,114	2.3	2.6
Hobart	214,627	216,276	1.0	0.8
Darwin	128,128	129,062	2.1	0.7
Canberra	360,753	367,752	2.0	1.9

C = City, R = Regional Council, S = Shire

¹ Ranked by growth in 2010-11

² LGAs with populations of 2,000 or more at 30 June 2011.

³ Australian Statistical Geography Standard (ASGS) July 2011

Appendix C

▶ **Martin Barrett** BA(ECON) MBA

Chief Executive Officer

- ▶ 26 year banking career across diverse financial institutions both nationally and internationally
- ▶ Expertise and strong track record in growing regional/‘challenger’ banking brands
- ▶ Senior executive roles held across retail banking, commercial, corporate and specialist areas (automotive finance, debtor finance etc)
- ▶ Experience and track record in establishing both retail and commercial banking business from low/no base.

▶ **Bill Schafer** BCOM CA

Chief Financial Officer

- ▶ 33 years experience auditing financial institutions including partner and management positions in private metropolitan-based accounting and legal firms
- ▶ Diverse experience includes lecturing in Dept. of Law at University of Queensland and various committee roles in Institute of Chartered Accountants and Queensland Law Society.
- ▶ Bill’s expertise and current contribution includes financial accounting; management reporting; statutory, ASX and regulatory reporting; taxation and various administrative duties.



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