

19 February 2014

Wide Bay Australia announces Interim Results for the half year ended 31 December 2013

Wide Bay Australia today reported a consolidated profit for the six months to the 31 December 2013 of \$7.190 million, up from \$5.557 million for the corresponding period to 31 December 2012.

The consolidated results comprise an after tax profit from Wide Bay Australia Ltd, the chief entity, of \$6.191 million (2012 – \$6.447 million) and Mortgage Risk Management Pty Ltd (MRM) of \$0.841 million (2012 - \$0.994 million loss).

Chairman John Humphrey reported that during the past six months, the chief entity's loan book has decreased by \$36 million from \$2.229 billion to \$2.193 billion however lending volumes showed a slight increase, with approvals increasing from \$160 million for the six months to 31 December 2012 to \$176 million to 31 December 2013.

"While the core residential lending book remained strong and demonstrated annualised growth of 1.7%, the retreat in the overall loan book relates to the run down of a portfolio of loans originally generated by the finance broking arm of a financial planning business, in which Wide Bay's investment was written down to nil at 30 June 2013."

Mr Humphrey said the improvement in the results in MRM has resulted from a decrease in the arrears across the half year and a favourable return on mark-to-market investments.

"Wide Bay, the chief entity, has \$20.4 million invested in capital in MRM and as it continues to wind down, subject to actuarial calculations and regulatory approval, we expect there will be a return of that capital, increasing the chief entity's overall capital position."

Mr Humphrey advised Wide Bay's capital position remains strong, with a consolidated capital adequacy ratio of 14.21% at 31 December 2013, comfortably in excess of the Board's target.

He said there has been continued steady growth in deposits across the half year, leading to reduced reliance on securitisation and wholesale funding and that overall funding lines remain strong with sufficient capacity for future growth.

"While the Board believes that strong competition in the housing market will continue in 2014, we have strengthened the resources and products in the Sales & Distribution network throughout the branches and mortgage broker channels. In addition, the targets set by management for our personal lending are consistently being met."

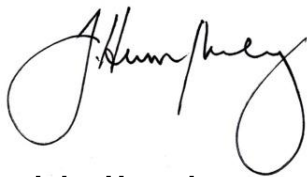
Martin Barrett, Managing Director, advised that in accordance with the company's strategic plan, Business Banking has now commenced origination. "Growth in Business Banking is expected across the second half of the financial year as these products and services are rolled out and promoted in the company's core markets."

He said Wide Bay's investment in its people, branches and technology is also underway and will further strengthen the organisation's offering to new and existing customers.

"We have also strengthened our risk management and as a result are seeing an improvement in arrears management and loan quality."

Mr Humphrey said the Board has declared a fully franked dividend of \$0.13 per share which will be payable on 28 March 2014. "We have also resolved to reinstate the Dividend Reinvestment Plan for this interim dividend."

ENDS



John Humphrey LLB
Chairman



Martin Barrett BA(ECON) MBA
Managing Director

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Wide Bay Australia Ltd

Wide Bay Australia Ltd is an Approved Deposit-taking Institution (ADI) and is Queensland's largest and Australia's fourth largest building society based on assets and loans under management of approximately \$2.8 billion. As an ADI, Wide Bay Australia is prudentially supervised by the Australian Prudential Regulation Authority (APRA).

The company has an Australian Credit and Australian Financial Services Licence issued by the Australian Securities and Investment Commission (ASIC) and provides a range of loans, deposits and related banking services. It also offers insurance and other financial services by arrangement with third party providers.

Wide Bay Australia Ltd (ASX Code: WBB) listed on the Australian Securities Exchange (ASX) in 1994

The company employs over 265 staff and delivers its services from its Head Office in Bundaberg, Queensland and via a network of 37 retail outlets located principally in regional Queensland from Cairns to the Gold Coast, plus a national mortgage broking presence managed from Brisbane.

Wide Bay Australia has played an active role as a 'good corporate citizen' in the local communities in which it operates for over 50 years. The company's vision is *"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"*.

The company's 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.