

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 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.