

**18 February 2015**

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## **Wide Bay Australia announces Interim Results for the half year ended 31 December 2014**

Wide Bay Australia today reported a consolidated profit for the six months to the 31 December 2014 of \$6.495 million, down from \$7.190 million for the corresponding period to 31 December 2013.

Chairman John Humphrey noted that during the half-year to 31 December 2014, the loan book increased by \$47 million from \$2.224 billion to \$2.271 billion. Lending volumes increased by 32.7%, with approvals increasing from \$176 million for the six months to 31 December 2013 to \$234 million for the half-year to 31 December 2014.

“Despite challenges in the core market and mining areas of Queensland, the loan book grew at an annualised rate of 4.3% which was above the system growth for the core area. The increase in the loan book represents the strongest growth for a number of years.”

Mr Humphrey pointed out that notwithstanding the consolidated profit is down on the previous corresponding period there was in that period a contribution to profit of \$841,000, due to an adjustment of provisions in Mortgage Risk Management Pty Ltd (MRM), which was not repeated during the current half-year. He said the Board and management is confident of continued growth in the loan book into the second half of the financial year and the strength of the underlying business.

Mr Humphrey advised Wide Bay's capital position remains strong, with a consolidated capital adequacy ratio of 14.90% at 31 December 2014, which exceeds the Board's target. The chief entity has \$20.4 million invested in capital in MRM and as the insurance captive winds down, there is an expectation of capital being returned, increasing the overall capital position.

Total expenses in the chief entity, excluding bad and doubtful debts, were controlled in line with the strategic objective of the company, increasing from \$20.0 million for the half-year to 31 December 2013 to \$20.3 million for half-year to 31 December 2014, an increase of 1.5%.

Arrears continued to trend downwards across the half-year, with total arrears past due 30 days (excluding the effects of hardship accounts) decreasing from \$43.0 million at 30 June 2014 to \$25.9 million at 31 December 2014. Arrears past due 30 days represented 1.1% of total loans and advances at 31 December 2014 compared to 1.9% at 30 June 2014.

Martin Barrett, Managing Director, advised Wide Bay will continue to target growth in mortgage lending, as well as personal loans and business banking. Increasing loan volumes from the south east corner of Queensland and nationally are expected to continue.

Mr Barrett advised the new core banking system has been successfully installed under budget and had 'gone live' early in February 2015. There will be ongoing investment in technology, focusing on the loan system, the broker channel and digital capabilities across the current financial year.

Mr Barrett commented that Wide Bay is concluding work on the business transformation project which will deliver productivity and efficiency gains to offset the investments in technology.

"The Board of Directors believes that strong competition in the housing market will continue in 2015 and there will continue to be challenges in the core region. However, MRM is well provisioned and the Board continues to focus on improvements in credit risk associated with the loans portfolio."

The company previously announced that Wide Bay Australia Ltd will become Auswide Bank Ltd on April 1, 2015. Auswide Bank will officially be Australia's tenth and Queensland's third, Australian-owned bank, listed and trading on the ASX.

Mr Humphrey said the Board has declared a fully franked interim dividend of \$0.14 per share (2013 - \$0.13) which will be payable on 27 March 2015. The Dividend Reinvestment Plan will apply to the interim dividend.

For further information, please contact:

A handwritten signature in black ink, appearing to be 'M. Barrett', with a long horizontal stroke extending to the right.

**Martin Barrett BA(ECON) MBA**  
**Managing Director**

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## Wide Bay Australia Ltd (ASX Code WBB)

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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. 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 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.

Everyday, the Board, Management and Staff at Wide Bay Australia strive to fulfil the commitments to our stakeholders to deliver on our promise of "banking your way..."