Wide Bay Australia Ltd
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Australian Credit &
Australian Financial Services
Licence No. 239686
BSB 645646

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12 November 2012

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

Wide Bay Australia Ltd (WBB) – Market Presentation & Update

Please find attached a presentation which provides an update of Wide Bay Australia Ltd's operating activities and financial performance & results.

This information will be presented to brokers and prospective institutional investors.

Yours sincerely,

Ron Hancock AM
Managing Director

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Roadshow

November 2012

Profile of Wide Bay Australia Ltd

- Wide Bay Australia Ltd is a public company which listed on the ASX in 1994.
- The building society has a broad strategic presence across Queensland as a result of mergers in the early 1980's of Burnett Permanent Building Society, Maryborough Permanent Building Society, Gympie & North Coast Building Society, Port Curtis (Gladstone) Building Society and more recently in 2008 with the acquisition of the listed Mackay Permanent Building Society.
- Currently there are 41 Branches in Queensland; one located in Parramatta , Sydney; one in Camberwell, Melbourne; and a lending outlet in Adelaide.
- Total staff is 270 with 130 located in Bundaberg at the company's Head Office & branches.
- The society holds a 'BBB/A2' credit rating with a stable outlook by S&P.
- A wide range of financial products are offered through our partners (such as general insurance, travel money, car loans, leases, credit cards and banking services) to complement the core operations of retail deposits and residential lending.
- Policy of Wide Bay Australia, the Chief Entity, has been to restrict lending principally to residential purposes with a small number of commercial loans normally secured by residential property.

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Profile of Wide Bay Australia Ltd

- Wide Bay Australia has never been involved with any 'low doc' or 'sub-prime' lending.
- Until recently, all loans, regardless of LVR, were mortgage insured. To keep our lending products competitive, and consistent with generally accepted policy within the industry, the society has dispensed with the requirement of mortgage insurance for loans under 80%LVR.
- The society enjoys diversified funding sources.
- Apart from retail deposits, funding has been supplemented since 1996 by warehouse funding and securitisation issues in the wholesale markets. To date public RMBS term deals exceed $3 billion.
- The society has a 'repo' facility with the Reserve Bank of Australia (RBA) which was used during the Global Financial Crisis (GFC). At this stage no funding is outstanding to the RBA.
- Funding has been supplemented more recently by the issue of Negotiable Certificates of Deposit (NCD's). These have received strong support, although with the current availability of retail deposits, their use has been restricted.

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Profile of Wide Bay Australia Ltd Cont..

- Wide Bay Australia established it's own captive Lenders' Mortgage Insurer (LMI) in 1999 (Mortgage Risk Management Ltd) which provided cover for the society's lending until it ceased taking on new loan business in 2009.
- At that stage new loans requiring LMI cover were referred to Genworth Financial LMI, and more recently, the society entered into an exclusive agreement with QBE LMI.
- MRM for many years was a strong contributor to the society's results.
- The decision to ultimately discontinue MRM, was in the main influenced by the slowing of the housing market and a consequent decline in house prices, as well as the Basel III requirements which come into force in relation to capital in 2013. The Basel III changes would have provided some difficulties to Wide Bay in that the credit rating of the captive could be no higher than that of the parent company ('BBB/A2'). QBE LMI is currently rated 'AA-' and that rating has a beneficial impact when releasing public RMBS issues.
- The Australian Government's permanent extension of the Deposit Guarantee under the Financial Claims Scheme to individuals & entities for deposits up to $250,000 has continued to play a major role in attracting term and on-call deposits .

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Profile of Wide Bay Australia Ltd Cont..

- Currently, 69% of funding is now sourced from retail deposits and 31% from wholesale and securitisation, compared to 55% and 45% in 2010.

- The loan book of $2.28 billion (30/06/2011) showed a decline for the six months to December to $2.23 billion and closed for the full 12 months at the same level – demonstrating a stabilisation for the last six months. This is a reflection of the improvement in the housing sector we advised we were experiencing in our previous presentation in April 2012

- Loan approvals were $79 million for the March quarter and $96 million for the June quarter ,giving a total for the six months of $175 million compared to $132 million for the six months to December 2011. This is both a reflection of improving market conditions but also Management's action in reviewing products and focus on lending operations.

- The following are extracts produced by the Queensland Government highlighting resource developments in Queensland and the location of our branch network relative to those developments.

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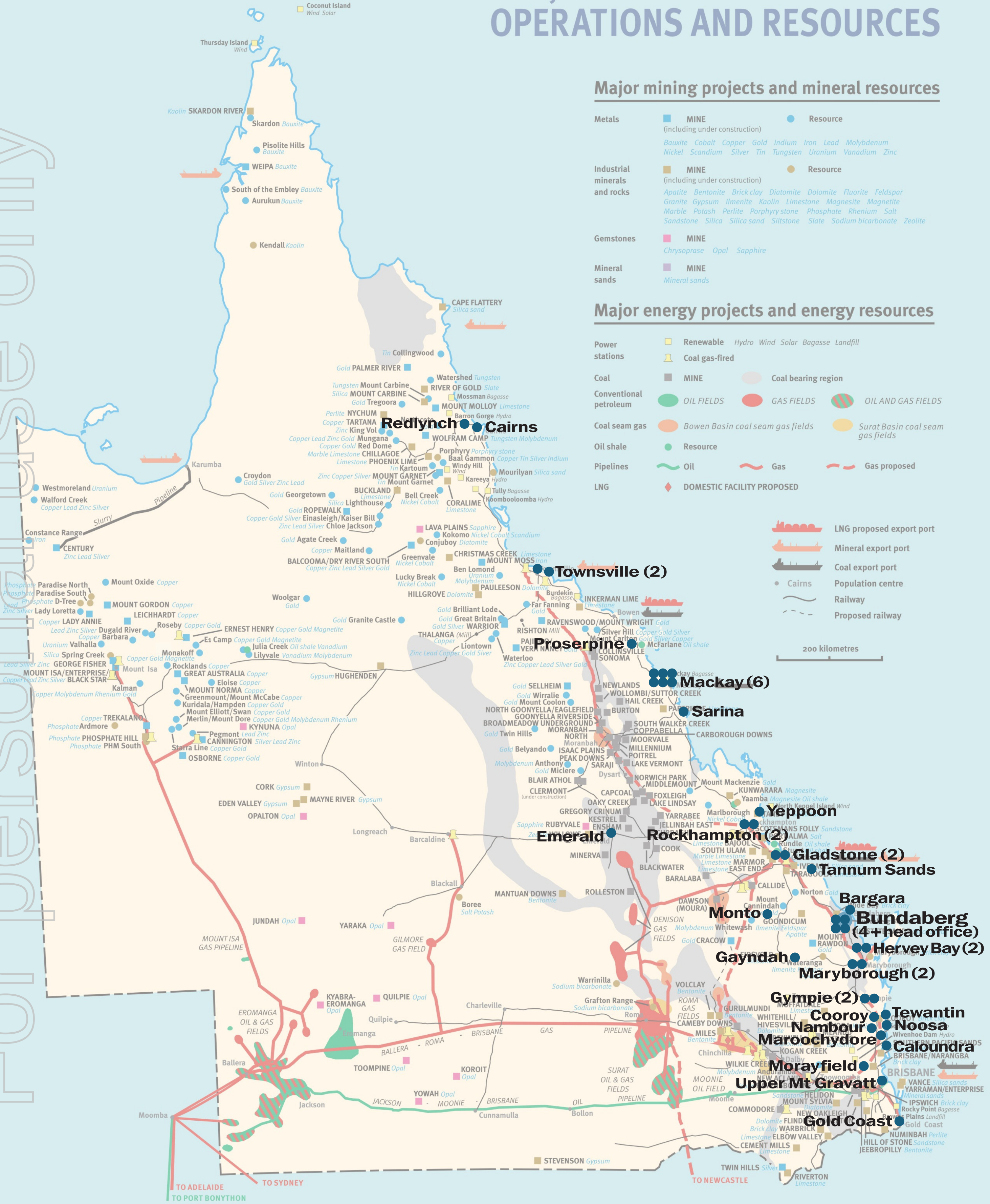
Queensland Government

QUEENSLAND'S
MINERAL, PETROLEUM AND ENERGY OPERATIONS AND RESOURCES



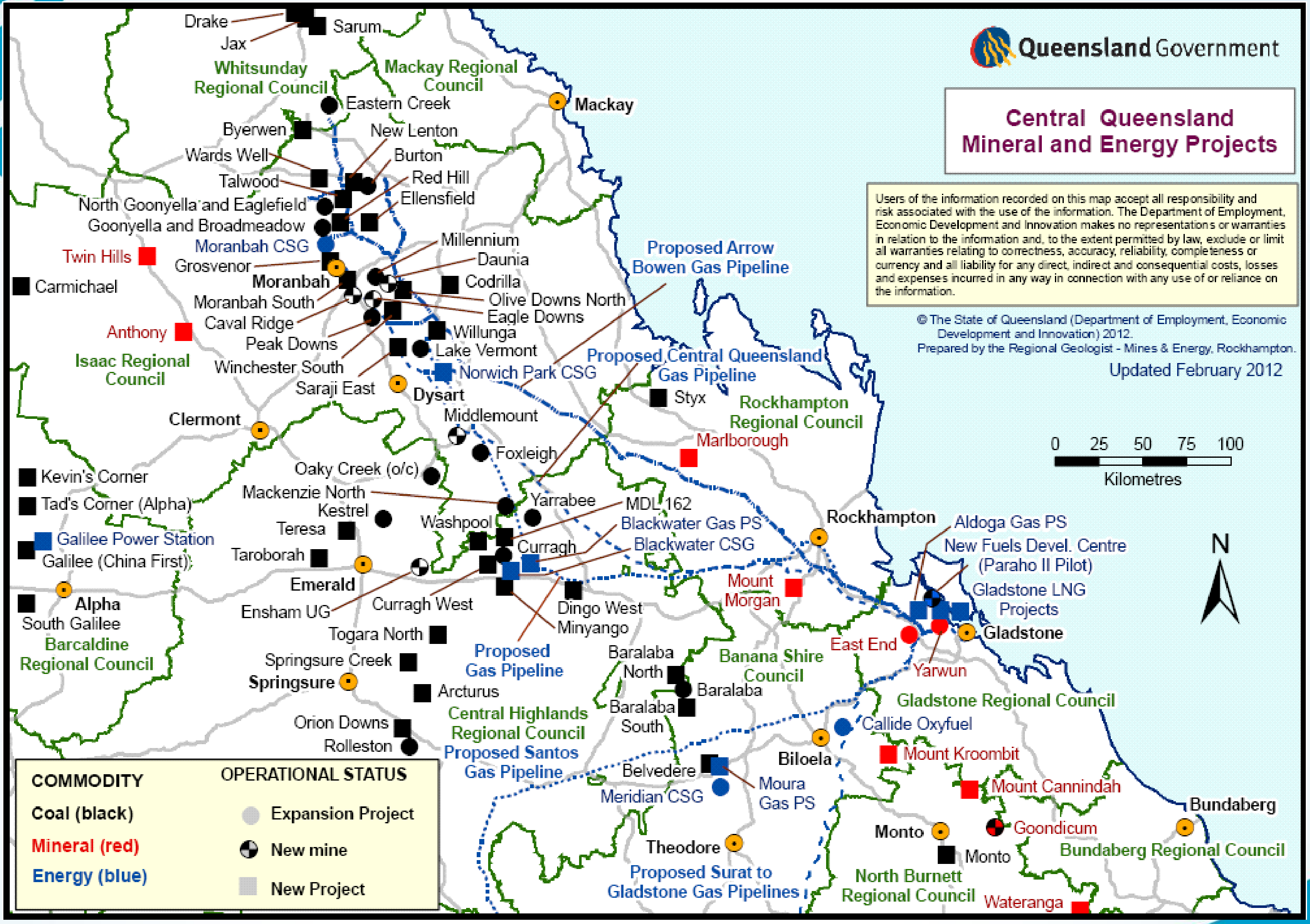
Thirteenth edition **Updated March 2010**

Prepared by Spatial and Graphic Services, Geological Survey of Queensland

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)



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Central Queensland Mineral and Energy Projects

@ February 2012

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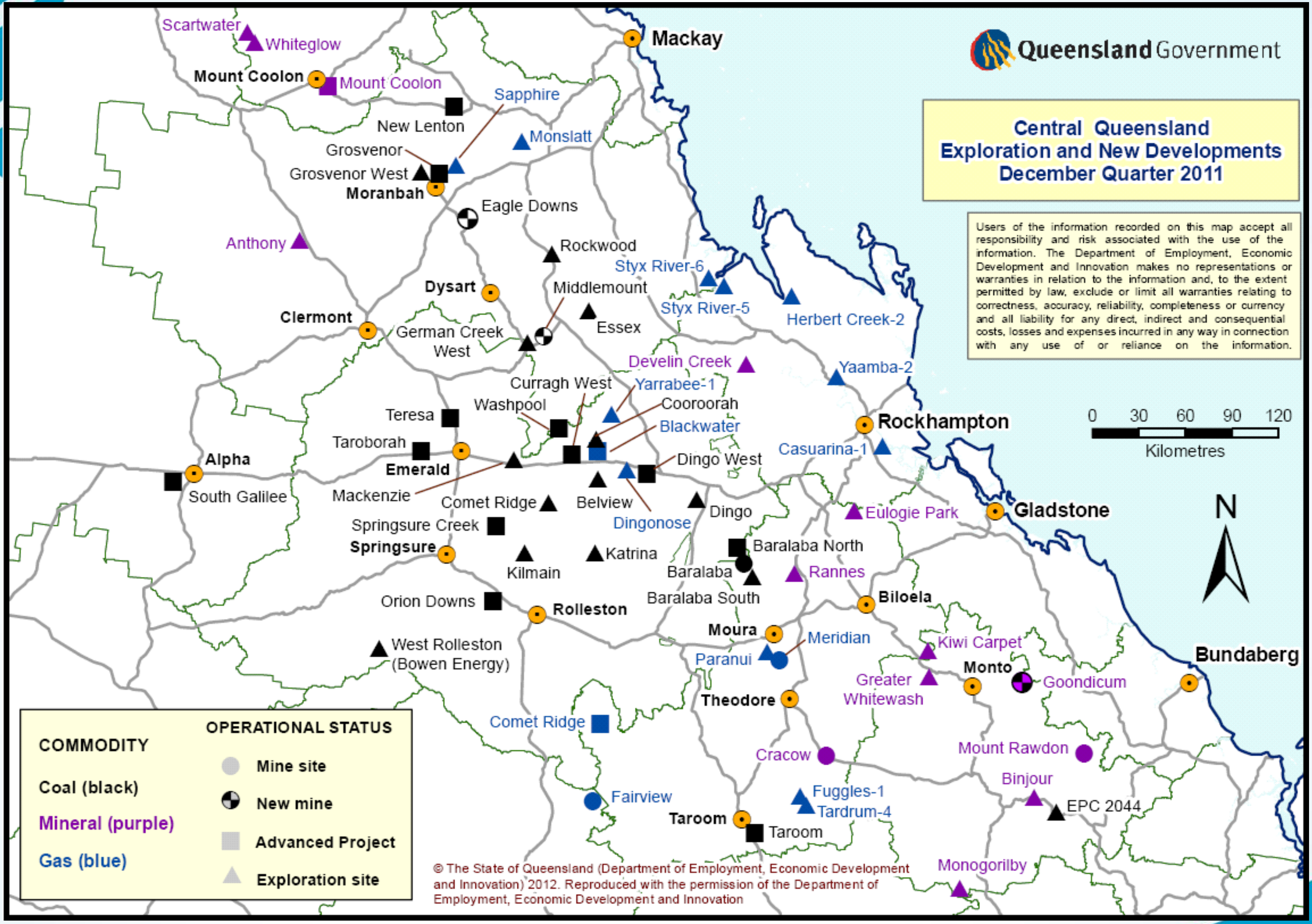

Central Queensland
Exploration and New Developments

December Quarter 2011

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Profit & Share Capital

- Profit for the 12 months to 30 June 2012 for the Chief Entity, declined for the year from $22.05 million to $18.93 million. This decrease can be largely attributed to the decline in the loan book.
- Mortgage Risk Management achieved a surplus of $0.51 million for the 12 months compared to $2.3 million for 2010/11.
- Overall consolidated profit for 2011/12 was $19.04 million compared to $22.68 million for 2010/11.
- Operating costs showed an increase for the year with the cost-to-income ratio changing from 54.3% to 59.4%. This together with the lack of growth in the loan book will have some impact on the 1st half results for the Chief Entity for 2012/13 with the Chief Entity's profit forecast at $6.8 million with an expected improved second half year to 30 June 2013.
- MRM retains approximately $500 million of insured loans of which $385 million are in respect of a LVR of less than 80%. With no further new business being written, MRM is anticipated to no longer make any significant contribution to the group's activities in terms of profit. MRM's results will be affected by the current tightness of the housing market and increased losses on realisation of repossessed properties and provisioning on arrears. MRM results in wind down are expected to show a loss of $2.5 million to $3 million for the 6 months to 31 December 2012. The final 6 months of the financial year are expected to produce an improved result.

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Profit & Share Capital Cont..

- With MRM's current structure, application will be made to APRA to approve a return of capital to the parent company (Wide Bay Australia).
- Capital as at 30 September, 2012 was 13.23% with Tier 1 accounting for 11.14%. The release of capital from MRM will further increase the Tier 1 level and overall capital adequacy.
- Tier 1 level at 11.14% is a very strong percentage as compared with the other ADI's in the banking sector.
- Dividend declared for the 6 months to 30 June 2012 of 25 cents per share provided a fully franked dividend for the year of 47.5 cents.
- The Board in reviewing the dividend for the year decided to dispense with the Dividend Reinvestment Plan (DRP), having regard to the current strong capital adequacy and the expectation of a return of capital from MRM. The DRP and it's use will be reviewed on an ongoing basis.

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A Special Culture

- **Wide Bay Australia employs 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	46th year
Executive Director / Chief Operating Officer	39th year
Training Manager	36th year
Administration Manager	34th year
Marketing Manager	27th year
Manager – Retail Outlets (QLD)	17th year
Manager – Structured Finance, Products and Interstate Operations	17th year
Chief Information Officer	12th year
Chief Financial Officer	12th year
Loans Manager	12th year
Internal Auditor	11th year
Sales Manager	3rd year
Chief Risk Officer	2nd year

Current as @ November 2012

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Sharemarket Profile

- **Shares currently on issue at 01 November 2012 = 36,139,327**
- **Market Capitalisation at 02 November 2012 = $238.88 million**
- **Share price performance**
  - **12 month closing high $7.75**
  - **12 month closing low $5.56**
  - **As at 23 October 2012 $6.80**

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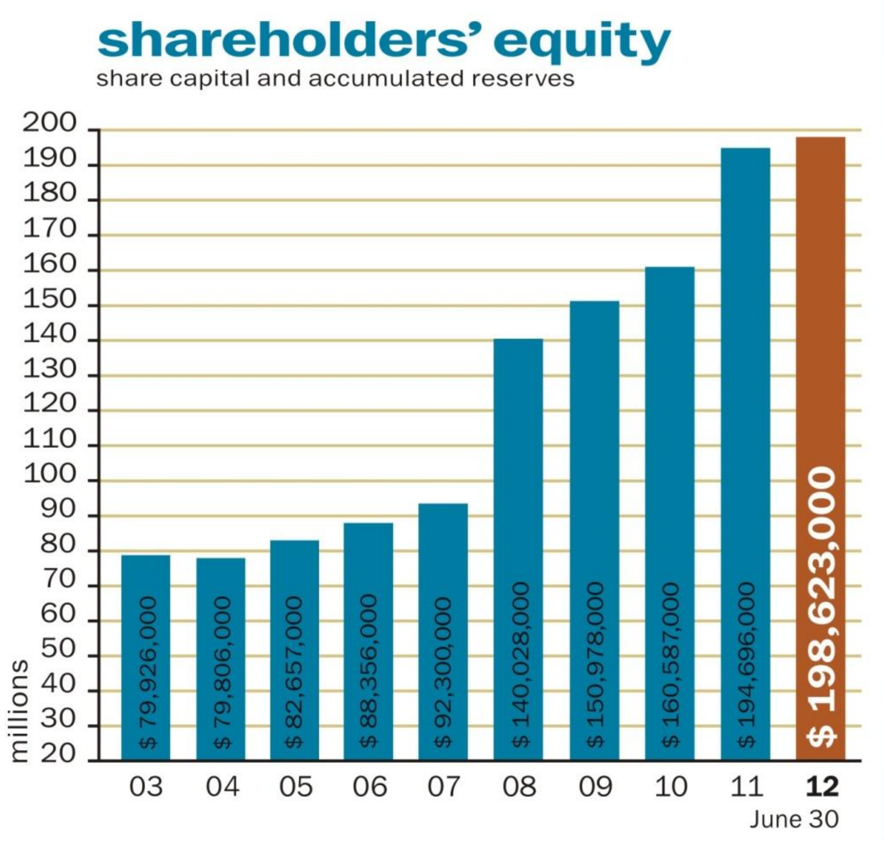
Sharemarket Profile Cont..



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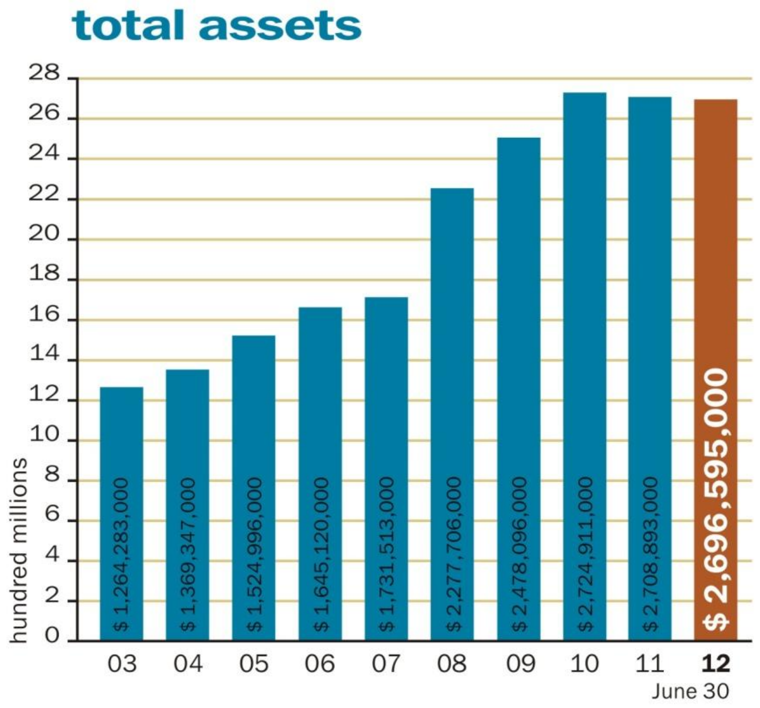
Strong Balance Sheet

- **Total assets at 30 June 2012 $2.70 billion**



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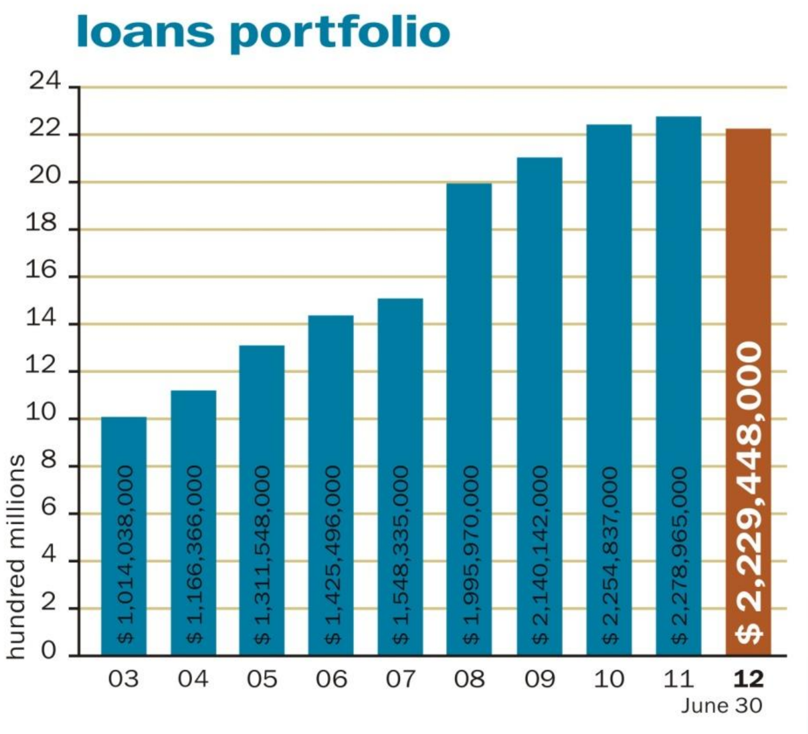
Loans Portfolio

- **Total loans at 30 June 2012 $2.23 billion**



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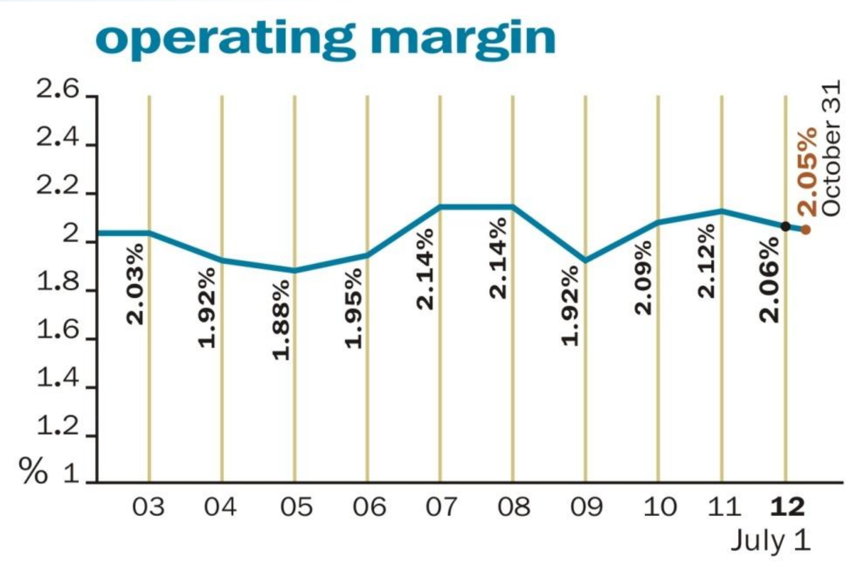
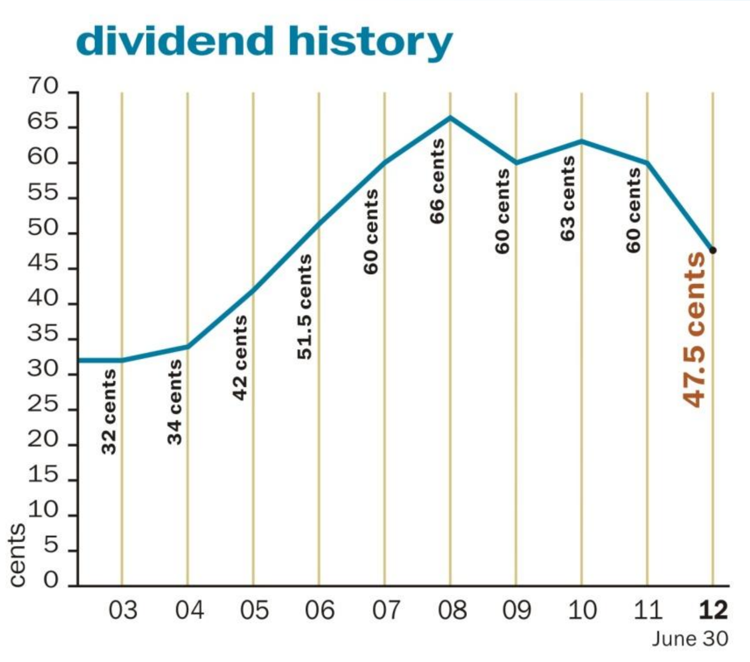
Continued Strong Trading Results





- **A target of 2% margin is constantly maintained.**
- **All dividends are fully franked.**

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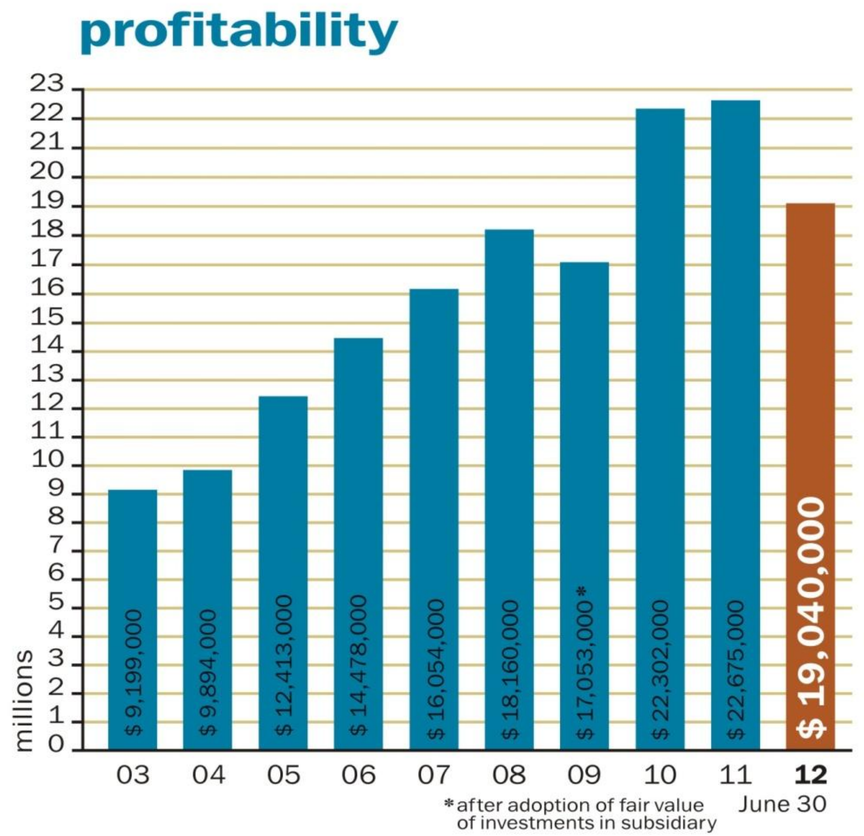
Continued Strong Trading Results Cont..



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Financial Indicators – Consolidated

	Actual full year to 30 June 2011	Actual full year to 30 June 2012	
Net Profit after tax – actual	$22.68m	$19.04m	
Ordinary Dividends	60.0c	47.5c	
Loans Portfolio	$2.279bn	$2.229bn	↓ 2.17%
Total Assets	$2.709bn	$2.697bn	↓ 0.45%
Shareholders' Equity	$194.70m	$198.62m	↑ 2.02%
Capital Adequacy	14.61%	13.40%	↓ 1.21%
Return on Equity	11.65%	9.59%	↓ 2.06%
Return on Average Assets	0.83%	0.70%	↓ 0.13%

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Corporate Strategy - Summary

- We are concentrating on developing and expanding our lending volumes, by extending broker distribution and the introduction of new and revised lending products.
- We are reviewing our total branch network to ensure we are achieving the maximum efficiencies which may result in some branch closures.
- We will retain our wholesale funding facilities with the ANZ & Westpac as well as our 'Repo' facility with the Reserve Bank.
- We will continue to utilise QBE LMI as our mortgage insurance provider and in public issues, will be able to limit the run down required in respect of junior notes. A recent address by the CEO of APRA has indicated that future securisation issues may be restricted to A and B notes. While it is not yet clear how this would operate, our involvement with QBE with their "AA-" credit rating appears timely.
- We will look at opportunities in relation to acquisitions including the acquisition of loan books. There are currently some opportunities being assessed.
- We will endeavour to engage with mutual ADI's. We believe there are opportunities and benefits for members however these are not being conveyed to members, with Boards declining to enter discussions.

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Corporate Strategy – Summary Cont..

- In the event of Wide Bay looking to merge or acquire a mutual, all members would receive a financial benefit in the range of $3000-$6000. This is based on our estimates of an acquisition price that we may be prepared to pay.

- With the competitive market, all ADI's regardless of type, have no option but to maintain a competitive position in respect to interest rates, products benefits etc. In a merger with a mutual, members would continue to achieve similar financial and customer service benefits - plus the additional benefits of being part of a larger organisation (such as range of products, technology and efficiencies), as well as a significant initial cash benefit and the annual payment of fully franked dividends.

- Wide Bay stands in the market to discuss any acquisitions with mutual Boards and, in particular, their members.

- Wide Bay Australia, has always had a strong customer and community focus, but as a listed public company is one of only two listed ADI's that are in a unique position of being able to raise capital through share issues which would provide capital and funding for acquisitions.

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Directors' Report 2011/2012

On behalf of your Board of Directors and despite the continuing difficulties prevailing in world economies and financial markets, I am pleased to report another solid performance from Wide Bay Australia.

The Wide Bay Australia Ltd (Wide Bay Australia) group result for 2011-12 was an after tax profit of $19.04 million. On an individual basis, the Wide Bay Australia chief entity showed an after tax profit of $18.93 million compared with $22.05 million for 2010-11.

Our wholly-owned lenders mortgage insurance captive, Mortgage Risk Management Pty Ltd (MRM), had an individual profit of $0.51 million. MRM has now been restructured in the light of the requirements of Basel III which comes into effect in 2013. Limitations imposed on MRM, of being restricted to the parent company's credit rating of 'BBB', is the main reason the Board decided to review MRM and its operations.

The bulk of loans covered by lenders mortgage insurance for Wide Bay Australia have also now been transferred over to QBE Lenders' Mortgage Insurance Limited (QBE) which holds an 'AA-' credit rating. $505 million of loans still remain with MRM of which $385 million has an LVR of less than 80%. No new business has been written by MRM for some time and it is intended to let the captive run down gradually.

Our loan book stabilised in the last six months of the financial year at $2.229 billion compared to $2.230 billion at 31 December 2011. The overall decline for 2011-12 was a result of a weaker housing market, particularly evident throughout most of 2011. However as advised in previous market releases, the home loan market has firmed up and we have seen lending for the six months to 30 June 2012 amount to $175 million compared to $132 million for the first half of the year to 31 December 2011.

Our current expectation is that we will see an increasing demand for housing loans, being driven by the Reserve Bank of Australia's recent reductions of official cash rates, the bulk of which Wide Bay Australia has been able to pass on to our existing borrowers and apply to our new loan products.

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Directors' Report 2011/2012 Cont..

Our operating margin has been maintained throughout the period in the range of 1.9% to 2% and is consistent with our target of 2%. Interest rate reductions have had temporary effects on our margin – due to the reductions for our borrowers being passed on quickly, but with term deposits taking longer to mature and rollover at the lower rates.

The Company declared and paid a final fully franked dividend of 25 cents per share for the six months to 30 June 2012, providing a total fully franked dividend for the year of 47.5 cents per share.

After reviewing our capital structure, we decided to suspend the Dividend Reinvestment Plan for the final dividend paid in October. We will however, keep our capital situation under review and we will revisit this decision in respect of the interim dividend for 2012-13.

Our Staff Share Plan continues to be well supported by all employees. It provides an incentive for our staff to have an investment in Wide Bay Australia – giving them access to a limited interest free loan for a period up to five years, and allowing them to acquire the shares once a year at a discount.

Our retail deposits showed a very strong increase for the 12 months, growing by 11.5%. This has seen our proportion of retail deposits increase from 61% in 2010-11 to 69% of total funding at the 30 June 2012. While this growth has been strong, it continues to be a very competitive market with both the major banks and our other competitors also competing strongly for funds.

This flow of deposits reflects to some extent investor caution in respect to the ongoing international situation, but is also a result of the confidence provided to Wide Bay Australia depositors through the Australian Government Deposit Guarantee under the Financial Claims Scheme. The Guarantee applies to protected accounts up to an amount of $250,000 per person or entity.

Wide Bay Australia continues to have warehouse funding facilities available with both the ANZ and Westpac Banks and we also maintain a 'repo' facility that is available if required with the Reserve Bank of Australia.

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Directors' Report 2011/2012 Cont..

In addressing current market conditions, we have been very active in seeking and reviewing opportunities for expansion, as well as internally reviewing our entire operation including our branch performances. Consequently a branch in Moranbah was closed due principally to higher operational costs associated with maintaining staff in this mining community. Another branch situated in the main street of Gympie was also recently closed as our customers' preferences had shifted to our two other branches situated in popular local shopping centres.

In the year going forward, we will continue to focus on our key objectives by actively seeking opportunities to enhance both our development and financial performance, including reviewing our cost structures. Our management team consists of experienced personnel at both our Head Office and branch network, providing a very stable base for our ongoing operations.

Our Managing Director, Ron Hancock who has been with the society since formation in 1966 has advised the Board that he wishes to retire this year. Your Board is currently seeking a suitably experienced and capable person for his replacement.

I would like to acknowledge and pay tribute to Ron for his role in founding Wide Bay Australia and guiding it to the strong position it is in today. It would be hard to overstate the importance of his contribution. Ron has done a wonderful job in establishing and growing a very successful regional financial institution.

To the rest of our management team, I extend on behalf of the Board our appreciation for your enthusiasm and support over the last 12 months.

To my fellow Directors, on behalf of our management team and myself, we extend our appreciation for your guidance and assistance during this challenging year. It is a pleasure to work with you all.

Finally, I extend our appreciation to our many shareholders, customers and business partners who we rely heavily upon for your support.

Yours faithfully

John Humphrey

Chairman

30 September 2012 – Brisbane

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Managing Director's Report 2011/2012

2011-12 has been another challenging year from a Management point of view, with difficulties in world economies, a slower housing market and strong competition from major banks and other competitors.

Wide Bay Australia Ltd (Wide Bay Australia) the chief entity has recorded a surplus of $18.93 million, compared to last year's $22.05 million.

Mortgage Risk Management Pty Ltd (MRM), which is being wound back, recorded a surplus of $0.51 million. It is expected that MRM will continue to be wound back steadily over the next few years with the transfer of the bulk of the cover previously included in MRM for loans with Wide Bay Australia now transferred to QBE Lenders' Mortgage Insurance Ltd (QBE). The total loans insured by MRM is currently $505 million, of which $385 million is in respect of loans with an LVR of less than 80%. With fewer loans covered by MRM there will be a significant amount of capital to be returned to Wide Bay Australia, subject to approval from the Australian Prudential Regulation Authority (APRA).

Our capital at 30 September 2012 was 13.23%, of which Tier 1 accounted for 11.14%. This level of Tier 1 capital places us in the top range of Australian financial institutions.

Loan approvals for the last six months have shown a steady improvement, with $79 million of lending for the March quarter and $96 million for the June quarter, totalling $175 million for the six months to June 2012. This compares to $132 million for the six months to December 2011. This increase is a reflection of an improving housing market and added focus by Management on our lending program including developing additional relationships and competitive products.

Significantly, our margin has continued in the 2% range depending on interest rate decreases passed on to our loan customers. This has an impact on our margin as it takes some time for our fixed term deposits to rollover to lower rates to match the decrease in borrower's variable rates.

Funding ratios for this period show a further swing to retail deposits, which now account for 69% of our total funding. Again this is an indication of the cautious approach being adopted by investors generally.

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Managing Director's Report 2011/2012 Cont..

Our cost-to-income ratio for the year has shown an increase from 54.3% to 59.4%. This is a direct reflection of the loss of income that has been generated from the loan book over the year. Although this will be partly resolved with an improvement in the loan book, we are also looking very closely at our total operations in respect of achieving further economies.

Basel III is due to commence early next year. While there are some significant changes in the operations of financial institutions, Wide Bay Australia does not envisage any difficulties in complying with the new regime. Apart from our strong position with capital, our liquidity is also strong at 14.77%.

During the year the Moranbah branch was closed due to staffing difficulties. Our Emerald agency was upgraded to a full service branch and we relocated our Gold Coast branch at Robina to a location we believe is more convenient for our customers and cost effective to the society. Subsequent to the end of the year, we also closed a branch situated in the main street of Gympie, retaining two other local branches situated at major shopping centres.

We are reviewing our branch operations as a matter of course over the next 12 months.

Our employees have strongly supported the Staff Share Plan again this year. I believe it continues to be a great incentive for them to have an interest in the company through acquiring our shares.

Overall we are confident of the year going forward especially if we see a further improvement in the housing market.

Our margins are strong and our funding is excellent, as in addition to our retail deposits we have warehouses in place with ANZ and Westpac and also have access to the Reserve Bank 'repo' facility if required.

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Managing Director's Report 2011/2012 Cont..

As you are probably aware, I have announced that I intend to retire sometime later this year.

I would thank all the Directors and staff that I have been involved with for their support and assistance over the years. Our current Board and Management Team is a dedicated group, many having long periods of service and it has been a pleasure to work with them and, in particular, I extend my appreciation for their continued support.

It has been a great journey for me, providing some challenging times, but also some great experiences. I have been privileged to meet and work with many diversified and wonderful people. I look forward to maintaining these associations and will continue to follow Wide Bay Australia's progress going forward with great interest.

I wish my successor, who will inherit a great team, all the best.

Yours faithfully

RON HANCOCK AM
Managing Director
30 September 2012 - Bundaberg

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Corporate Directory

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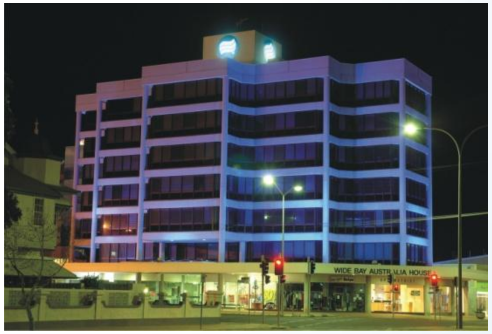

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