

19 November 2013

Chairman's Address at Wide Bay Australia Ltd (WBB) Annual General Meeting

Good Morning Ladies and Gentlemen,

As I said in my Chairman's address in the Annual Report the financial performance of the company for the year ended 30 June 2013 was unacceptable and cannot be repeated.

This was unfortunate because in many other respects the company made some significant progress which I will outline in a minute.

There were two principal reasons for the poor financial performance in the 2013 year. Firstly the arrears performance on our loan book was worse than expected and in response our actuary increased the size of the recommended provisioning beyond what we had been allowing for. This was disappointing especially because notification of the increased level of provisioning was received at the last minute.

Going forward the important issue for the company is whether or not the loan book is now adequately provisioned so that further adverse impacts on the company's profit can be avoided. Your Board believes that we are now more than adequately provisioned in respect of the loan book and that in the normal course there will not be any further adverse impacts on profitability due to deterioration in the arrears position.

The second reason for the poor financial performance was that we wrote off the value of our investment in Financial Technology Securities (FTS) because the Board was unable to reach a view on the value of that investment going forward.

FTS is a financial advisory business which is presently subject to external pressures which leave Wide Bay with no certainty as to future dividend levels. In the circumstances the Board considered that it would be prudent to write off the entire investment.

The write-off of FTS was a non-cash write-off and accordingly your Board saw fit to pay a reduced final dividend to try and reduce the impact on shareholders.

In other respects the 2013 year was a year of progress.

In January our former Managing Director Ron Hancock retired and this was always going to be a challenging time for the company. Ron had been the guiding light of the company for 40 years so the transition presented some challenges. I am pleased to be able to say that the transition to our new Managing Director Martin Barrett has gone smoothly. Martin has settled in well and you will hear from him shortly.

We have adopted a new strategic plan, made some changes to our structure and composition of executive team, commenced business banking and introduced a new personal loan product. For the last few years we have struggled to achieve growth in our loan book. Conditions remain challenging but I am pleased to say that some green shoots are visible and the Board is cautiously optimistic. I will leave it to Martin to give you a little more of the detail in his address.

Expense control is good and the company has enjoyed reasonable levels of profitability in the first four months of the current financial year.

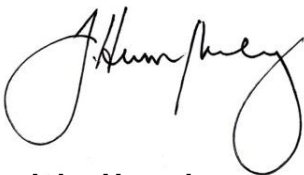
We are undertaking some Board renewal and we are delighted to have Greg Kenny joining the Board at the conclusion of this AGM. As I said in the Annual Report Greg brings to the Board a wealth of banking experience from his time as a very senior executive of St George and Westpac.

This will be John Pressler's last AGM as he is not standing for re-election. John is my predecessor as Chairman and has served on the Board for over 25 years. He did a great job along with Ron Hancock in steering the company through the GFC in late 2008, early 2009. He has been a great contributor and he will be missed. I would like to thank John for his enormous contribution over a long period.

Frances McLeod who has served on the Board for 10 years is also retiring as a Director at the conclusion of the AGM. Frances too has given great service as an Executive Director over many years. The reason Frances is stepping down is due to governance concerns at having more than one executive director on what is quite a small Board. I would like to thank Frances for her contribution and note that pleasingly Frances will continue as a senior executive of the company.

We will look to add another non-executive Director to the Board early next year and we are alive to the need to appoint a woman to the Board following the retirement of Frances.

I will now hand you over to our Chief Financial Officer, Bill Schafer, who will give a short presentation on the company's financial position followed by Martin's address.

A handwritten signature in black ink, appearing to read 'John Humphrey', with a large, stylized loop at the end.

John Humphrey LLB
Chairman