

18 November 2014

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

Good Morning Ladies and Gentlemen.

The last financial year as you know was a year of transition and development. It was the first full year that Martin Barrett completed as Managing Director and the focus of Martin and the Board was very much on implementing our strategic plan. It followed a year where the company had delivered a disappointing result which was impacted by a number of unforeseen write-offs.

Both Martin and your Board understood that a significantly improved result needed to be delivered in 2013-14. Against this background, I am very pleased to be able to advise that Wide Bay Australia has achieved a much improved financial result in the 2013-14 financial year with an after tax profit of \$14.063m. The Wide Bay Australia Board declared a fully franked final dividend of 15 cents per ordinary share which will be paid in October 2014.

Together with the interim dividend of 13 cents per share, our total dividend for the year was 28 cents per share fully franked.

This result was in line with the guidance provided in my Chairman's Message last year and the restoration of the dividend has no doubt been welcomed by shareholders.

We have continued during the year to make good progress with the implementation of our strategic plan. Highlights include the establishment of a dedicated new Business Banking platform, enhancement of our mortgage broker division, a significant improvement in the arrears position and enhancement of our risk management capability. We have also continued to strengthen our executive team and invested in training for our staff to develop their capabilities.

While we have made good progress, there is still a lot to be done to ensure we are well positioned to compete for business going forward in our important markets.

We will retain a strong focus on cost control while at the same time investing in staff development, infrastructure and systems to support future growth. We are currently undertaking a very significant upgrade of our IT infrastructure to enhance our capabilities. We expect this to be completed during the current financial year and for the full benefits to flow in subsequent years.

Martin will have more to say about operational matters in his address.

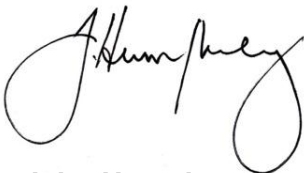
We have positive expectations of what we will achieve in the current year. Business conditions remain challenging, due mainly to strong competition, but I am pleased to be able to say that we have seen growth in our loan book in each of the first three months of this financial year. We are budgeting for continuing growth in the loan book throughout the remainder of the financial year. The extent of any growth in the loan book will be heavily dependent on the interest rate environment over the next 12 months. Official interest rates remain at low levels however we are seeing growth in fixed rate loans which may mean that the market is thinking that the next move in official interest rates by the Reserve Bank of Australia will be an increase.

Board renewal is ongoing. Peter Sawyer, a long standing non-executive director and Chairman of Wide Bay Australia's Audit Committee has signalled his intention to retire during the next 6 months. On behalf of all the other directors and our shareholders, I would like to thank Peter for an immense contribution to the company during his long period of service on the Board. We hope to be in a position to announce the appointment of a new director as a replacement for Peter in the next couple of weeks.

All that the company achieves is through the efforts of our staff. I would like to thank Martin, the management team and all our employees for their tireless efforts during what has been a demanding but successful year.

It is very pleasing that our staff have embraced the changes that have been made during the year to improve the performance of the company. Change, though a constant in modern commercial environments, is always challenging.

To finish on a high note it is particularly pleasing to be able to report that thanks to the efforts of our staff, Wide Bay Australia has been recognised as Australia's 'best' Building Society as rated by customers for the second year in a row.

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

John Humphrey LLB
Chairman