FOCUSED

annual report
& financial performance
2011 » 2012

wide bay australia
banking your way

"success is - focusing the full power of all you are on what you have a burning desire to achieve"

Wilferd A. Peterson
author/businessman

FOCUSED

WHAT sets a successful business apart amid changing economic conditions, market volatility, evolving technology and competitive forces?

We believe it is determination, strategy, flexibility, commitment = **FOCUS!**

To be FOCUSED means you press forward and face your challenges HEAD ON...

- you ride out storms with an eye on your destination
- you acknowledge economic conditions and adapt your thinking
- you embrace technology that supports your business and customers
- you nod, but do not bow, to competitive forces

Throughout 2011-12 the Wide Bay Australia Ltd Board, Management and Staff have been RELENTLESSLY FOCUSED!

This annual report provides an insight into our efforts to build on our record of achievement and lay the foundation for future growth!

We have striven to honour our Corporate Mission and CORE VALUES...

- LEADERSHIP we employ strong leadership so that we have control of our own destiny, protect our reputation and add to our achievements.
- RELATIONSHIPS we value our stakeholders, appreciate your loyalty and remain dedicated to delivering standards of excellence.
- PERFORMANCE we are seriously committed to performing for our shareholders, customers and business partners.
- GROWTH we are working harder than ever to grow our business in a stable and responsible way.
- AMBITION we have a 'burning desire' to succeed as a company and as a good corporate citizen.
- FLEXIBILITY we are responding to the many changes around us and seeking new opportunities on which to capitalise.

contents

printed on paper that is

RECYCLED CONTENT
ECF ELEMENTAL CHLORINE FREE
EMS ENVIRONMENTAL MANAGEMENT SYSTEMS
CERTIFIED CO_2 NEUTRAL

Chairman's message

by John Humphrey

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.

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 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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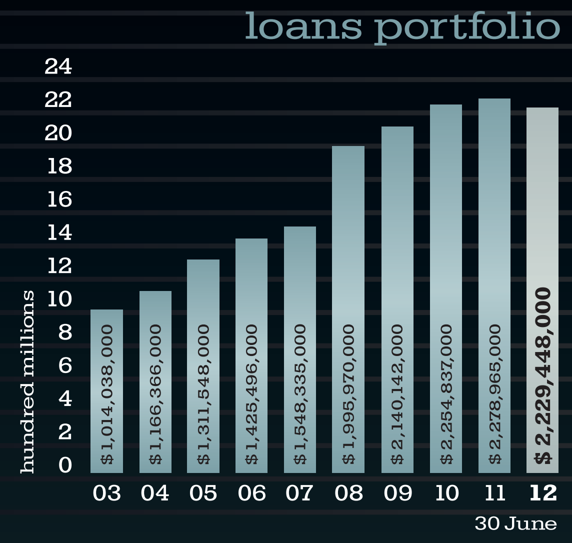
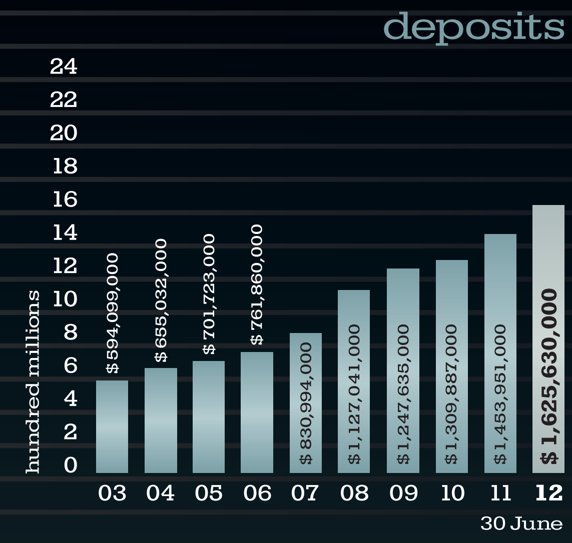
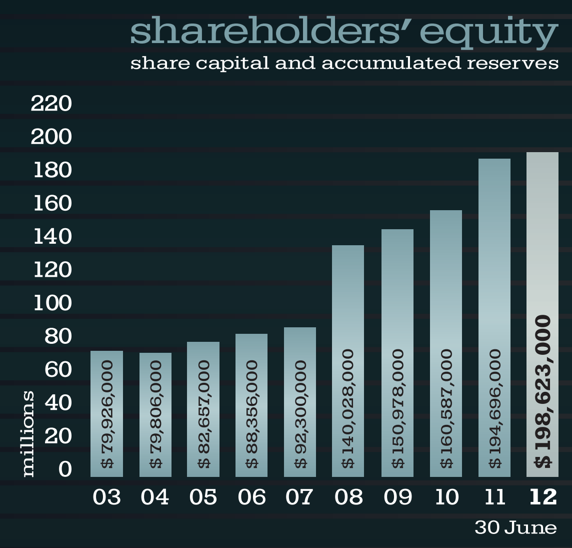
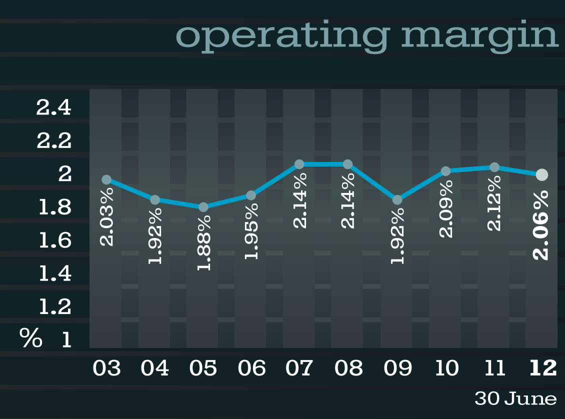
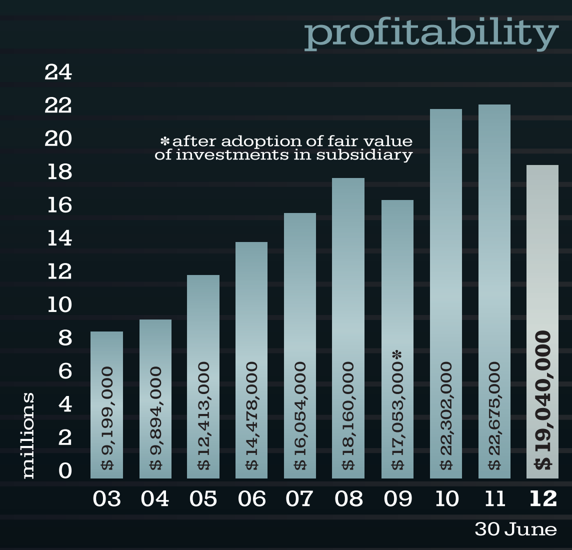










John Humphrey
LLB
Chairman

John was appointed to the Wide Bay Australia Ltd Board in 2008 and was appointed Chairman following the 2009 Annual General Meeting.

He is currently a senior partner in the Brisbane office of national law firm, King & Wood Mallesons, where he specialises in commercial law and corporate mergers and acquisitions.

He is also a non-executive Director of Horizon Oil Limited and Downer-EDI Limited.

He is a member of the Wide Bay Australia Audit Committee and Group Board Remuneration Committee.

John is an independent Director.

Ron Hancock AM
FCA FAICD FIFS
Managing Director

Ron was a foundation Director and Manager of the Burnett Permanent Building Society formed in 1966, which subsequently merged with other Queensland societies to form Wide Bay Capricorn Building Society, subsequently Wide Bay Australia Ltd in 2003.

He was a practising Chartered Accountant for 32 years.

He is also the Chairman of Financial Technology Securities Pty Ltd and a Director of Mortgage Risk Management Pty Ltd.

Ron is an executive Director.

Frances McLeod
MAICD FIFS
Executive Director

Frances was appointed to the Wide Bay Australia Ltd Board in 2003.

Currently Wide Bay Australia's Chief Operating Officer, she has a wide range of experience based on 37 years involvement with the building society in various roles.

She is also a Director of Mortgage Risk Management Pty Ltd.

Frances is an executive Director.

focus on your board

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.

To 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

John Pressler OAM
FAICD FIFS
Director

John was appointed to the Wide Bay Capricorn Building Society Board in 1988 and served as Chairman for 12 years up until the 2009 Annual General Meeting.

He is a prominent figure in Emerald's agricultural and horticultural industries and is the Chairman of the listed Lindsay Australia Limited.

He is also the Chairman of both Mortgage Risk Management Pty Ltd and the Group Board Remuneration Committee and is a member of the Audit Committee.

John is an independent Director.

Peter Sawyer
FCA FAICD FIFS
Director

Peter has been a Director since 1987.

He was a partner of the firm Ulton, Chartered Accountants with offices in Bundaberg, Maryborough, Hervey Bay and Gladstone.

Currently he is the Chairman of the Bundaberg Friendly Society Medical Institute Ltd which runs Bundaberg's Friendly Society Private Hospital and Pharmacies.

He is also the Chairman of the Audit Committee, a member of the Group Board Remuneration Committee and a Director of Mortgage Risk Management Pty Ltd.

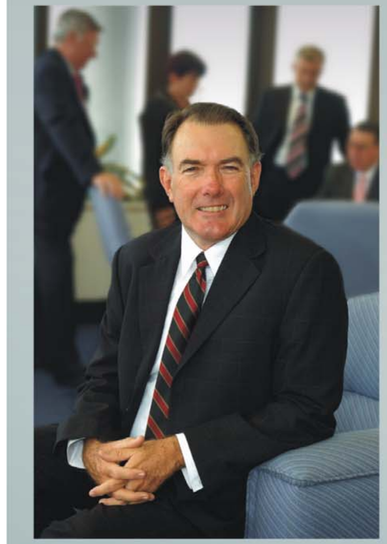
Peter is an independent Director.

Barry Dangerfield
Director

Barry was appointed to the Wide Bay Australia Ltd Board in 2011 following the Annual General Meeting.

With 38 years experience in the financial services industry - having held senior positions in commercial, retail and agribusiness banking across regional Queensland - he has an extensive knowledge of the corporate obligations that Wide Bay Australia is required to meet and the core markets and regions in which the company operates.

Barry is an independent Director.



Vale

John Harrap Fell
1949 - 2012

Our friend and Director, John Fell, passed away peacefully in Noosa on 9 February 2012, following his six year battle with cancer.

John made a substantial contribution to Wide Bay Australia having been involved with several mergers, our Australian Securities Exchange listing in 1994 and the growth of our loans and assets over 31 years. He was originally a Director and Secretary of the Gympie and North Coast Building Society from 1976 until its merger with Wide Bay Capricorn Building Society in 1981 when he became an independent Director. At the time of his retirement from the Board in December 2010, John was Chairman of Mortgage Risk Management Pty Ltd and a member of the Audit Committee and Group Board Remuneration Committee.

Born in Townsville, John joined an accountancy firm in Brisbane in 1974, moved to Gympie in 1976 and formed Saunders Fell McGarry, Chartered Accountants in 1978 where his responsibilities included the Gympie & North Coast Permanent Building Society. He was a well known and respected identity in Gympie and Noosa, serving as President of both Gympie-Cooloola Rotary and Gympie Rotary. After moving to Noosa in 1998 he joined the Rotary Daybreak Club and in 2003 he assisted with their annual Noosa Long Weekend Festival, eventually rising to the role of President of the popular cultural event in 2009.

He is survived by his wife Claire, his four children and six grandchildren.

John's keen business acumen, his kind nature and sense of humour are missed by all at Wide Bay Australia.

Managing Director's review

by Ron Hancock AM

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 6 months have shown a steady improvement"

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 borrowers' 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.

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%.

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Ron Hancock AM
FCA FAICD FIFS
Managing Director

In his management role, Ron has guided Wide Bay Australia Ltd through all aspects of its growth and development. He founded Burnett Permanent Building Society in 1966 and was instrumental in several mergers which were integral to the formation of Wide Bay Capricorn Building Society.

Ron was a Chartered Accountant for 32 years and was formerly the managing partner of Hancock Sawyer & Partners (now Ulton) Chartered Accountants of Bundaberg, Gladstone and Maryborough.

Ron studied his accounting degree externally and became one of Australia's youngest members to join the Institute of Chartered Accountants.

He is a prime mover in the Queensland home finance industry and is a past President of the Queensland Association of Building Societies and a past councillor of Australian Association of Permanent Building Societies.

Working closely with his management team, Ron has ensured that Wide Bay Australia is at the forefront of lending, funding and banking technology innovation - demonstrating that a financial institution can grow and prosper in a regional environment.

Ron was recognised for his services to the financial services industry and the community with a Member of the Order of Australia in 2009.

Frances McLeod
MAICD FIFS
Chief Operating Officer

In addition to her corporate responsibilities as an Executive Director, Frances plays a key role in Wide Bay Australia Ltd's management as the Chief Operating Officer.

Her position entails extensive interaction across all levels of the organisation and with the group's external stakeholders and business partners. In particular, her responsibilities include managing treasury and liquidity, corporate and regulatory compliance and monitoring and supervising departmental business unit managers.

Frances' financial services career started with Burnett Permanent Building Society in February 1974. In that time she has faced many market and regulatory challenges and has been an integral part of Wide Bay Australia's success in meeting these. In 2009, she was a Queensland finalist in the Telstra Business Women's Awards.

Since her promotion to her current position in 2001, Frances has seen Wide Bay Australia's assets increase from $1 billion to over $2.8 billion.

Frances remains focused on building Wide Bay Australia's reputation, achievements, growth and profitability.

Bill Schafer
BCom CA
Chief Financial Officer & Company Secretary

Bill commenced with Wide Bay Capricorn Building Society Ltd in April 2001, relocating to Bundaberg from Brisbane to take up his current role.

He previously held partner and management positions in private metropolitan-based accounting and legal firms following his graduation in 1980 with a Bachelor of Commerce from University of Queensland and post graduate studies with the Institute of Chartered Accountants and Financial Planning Association of Australia.

His diverse range of experiences also include lecturing in the Department of Law at University of Queensland and carrying out various Committee roles in the Institute of Chartered Accountants and Queensland Law Society.

Bill's areas of responsibility at Wide Bay Australia include financial accounting; management reporting; statutory, ASX and regulatory reporting; taxation and various administrative and committee duties.

He liaises closely with the Board of Directors, auditors and supervisory regulators.

focus on your management team

focus on

your management team

Steve Caville
AdvDipEEng

Chief Information Officer

Prior to joining Wide Bay Capricorn Building Society Ltd as a software developer and network support engineer in 2000, Steve gained significant experience from 10 years service with the Royal Australian Air Force.

He obtained an Advanced Diploma in Electrical Engineering plus other qualifications in complex technical systems and communication equipment. He also served as a manager in the Defence Integrated Secure Communications Network.

Steve was appointed to his current role at Wide Bay Australia Ltd in November 2010.

With a range of responsibilities involving the overall strategic direction and management of the group's information technology infrastructure and operating systems, Steve also ensures Wide Bay Australia meets or exceeds information technology regulatory requirements and develops and maintains risk management and disaster recovery systems.

Some examples of projects undertaken by Steve and his team include: developing mobile and internet banking plus other online platforms; lending and payment systems; core banking, ATM and infrastructure support; and the rollout of customer relationship management and product partner software and systems.

Steven Butler

Loans Manager

Steve relocated to Bundaberg from regional New South Wales to take up his current position with Wide Bay Capricorn Building Society Ltd in September 2001.

He had previously served as Loans Manager for a regionally-based credit union since 1995. During this time he obtained an appreciation of the focus and responsibilities of a lender operating in the non-bank finance sector.

Steve commenced his finance career in 1987 as an Account Manager for an Australia-wide personal finance company.

The Wide Bay Australia Loans Department is one of the company's larger business units with Steve's responsibilities including personnel management, dealing with the documentation and settlement of new loans plus account and payment management for existing loans.

Steve also has a major role in addressing Wide Bay Australia's compliance with various Australian credit laws including the National Credit Act.

He also ensures Wide Bay Australia meets its obligations in respect to risk management for activities involving the company's lending operations.

Dale Hancock
B.Bus SA FIN

Manager - Structured Finance, Products & Interstate Operations

After graduating with a Bachelor of Business at the University of Central Queensland in 1993, Dale worked for a regionally-based firm of Chartered Accountants specialising in the areas of accounting, taxation and audit.

He commenced with Wide Bay Capricorn Building Society Ltd in January 1996 and has been heavily involved in the management and strategic direction of the company's wholesale funding, asset and liability risk management.

In 1997 Dale established Wide Bay Capricorn's first Residential Mortgage Backed Securitisation (RMBS) program which has since proven to be an important part of the company's funding activities.

Recently, he led the establishment of Wide Bay Australia's Negotiable Certificate of Deposit (NCD) program.

Dale also managed the company's interstate expansion into Sydney, Melbourne and Adelaide and has been a principal driver of Wide Bay Australia's broker lending program.

He is the current Chairman of Wide Bay Australia's Asset and Liability Management Committee (ALMC).

Dale is a Senior Associate of the Financial Services Institute of Australasia.

Joanne Norris

Administration Manager

Joanne joined the team as Wide Bay Australia was experiencing one of the most exciting chapters in its early history.

Commencing as a clerk in 1979, Joanne was witness to the merger of the Burnett Permanent Building Society based in Bundaberg and the Maryborough Permanent Building Society to form Wide Bay Capricorn Building Society.

Joanne has been involved in several mergers since then, most recent the takeover of the ASX-listed Mackay Permanent Building Society Limited in 2008.

During her career Joanne has gained much experience in lending, branch operations and accounting processing plus has also worked through most of the various roles in Administration.

Her depth of experience saw her appointed to manage that business unit in 1995.

Joanne is responsible for account and banking service management, customer communications and supervising a team of personnel who have specialised roles in customer administration.

Joanne is also involved in the testing of new banking products and the implementation of new processes.

Ray Linderberg
BBus(Comm) AIFS

Marketing Manager

Ray began with Wide Bay Capricorn Building Society in 1986 following completion of a degree in Business Communications at the Queensland University of Technology.

He was born in Bundaberg and identifies strongly with the needs and aspirations of the regional communities which form Wide Bay Australia's primary market.

He supervises the company's Marketing Department, a role which covers an extensive range of areas including development of marketing strategies and market positioning; corporate and online communication; advertising and promotions; plus community, media and stakeholder relations.

He was instrumental in transitioning Wide Bay Capricorn's corporate positioning and branding to Wide Bay Australia Ltd in 2003.

Ray works closely with all other business units on a range of projects but in particular with sales and customer relationship management personnel.

He is also responsible for ensuring compliance with a range of legal requirements impacting advertising and communication, such as the Australian Consumer Law. He also acts as Privacy Officer.

Ray is an Associate of the Institute of Financial Services.

Ian Hatton
MBA AFAIM

Manager - Retail Outlets Queensland

Ian commenced with Wide Bay Capricorn Building Society Ltd in 1995 following careers in both the Royal Australian Navy and the mining industry.

His experience has equipped him with skills that include leadership of high performance teams, operational and human resource management, business administration and the development and execution of strategy within a retail environment.

Ian has supervised the continued growth of Wide Bay Australia's retail presence in Queensland, from the 26 branches and agencies when he first commenced to the 40 Queensland branches and agencies that are in operation today.

In particular, his role entails managing the human and operational resources within the society's branch network so as to meet customers' needs and achieve growth in both existing and new markets. Ian is also conscious of managing costs and achieving operational efficiency.

In 2008, Ian completed an Executive Master of Business Administration at Queensland University of Technology, enhancing his ability to adapt to the changing business situations that face Wide Bay Australia's retail operations.

Ian is an Associate Fellow of the Australian Institute of Management.

> “our margins are strong and our funding is excellent”

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.

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

Gayle Job
FIFS
Training & Compliance Manager

Gayle has served Wide Bay Australia for 35 years in a wide range of roles having commenced as a junior clerk in Bundaberg’s Burnett Permanent Building Society in 1977.

Her career has involved a broad range of experience in operations including branch operations, lending and administration. In her management role, Gayle is involved in product development, documentation of operational policies and procedures, training and regulatory licencing and compliance.

Gayle is also a primary player in managing Wide Bay Australia’s various product partner relationships such as insurance, credit cards and travel products.

In 2011, in recognition of her skills and experience, Gayle was appointed as a Director of a regionally-based not-for-profit organisation which provides support, training, employment and community services for disadvantaged members of the community.

Gayle is a Fellow of the Institute of Financial Services.

Bob Ashton
CPFA(UK)
Internal Auditor

Bob has been Wide Bay Australia’s Internal Auditor for the past ten years commencing in his current role with Wide Bay Capricorn Building Society Ltd in May 2002.

Prior to joining the company, Bob was a senior information systems auditor at the Queensland Audit Office.

Bob and his internal audit team are charged with conducting an independent risk-based audit program which comprises the third line of defence in Wide Bay Australia’s risk management framework after line management controls and the risk management function.

Bob has 31 years auditing experience in the United Kingdom, New Zealand and Australia in consulting, government, mining and banking.

He has been a regular contributor to auditing journals in both the United States and the United Kingdom.

Michael McLennan
B.Bus CPA
Chief Risk Officer

Michael commenced with Wide Bay Australia in October 2011 following the company’s decision to formalise its risk management activities into a dedicated Risk Management function.

He has extensive experience in management of financial institutions having held primary risk and financial roles with ASX-listed Australian financial institutions.

For the four years prior to joining Wide Bay Australia, he was based in London with the Lloyds Banking Group in management roles involving their economic capital framework and planning for their international retail banking operations.

Michael oversees the identification and management of risk at Wide Bay Australia and is responsible for the continued development of a robust risk management framework which draws together the risk management activities of individual areas of the business.

His function is supported by dedicated intranet-based risk management software.

focus on your management team

a year of
FOCUS

The Wide Bay Australia team has been **RELENTLESSLY FOCUSED** during 2011-12 on the key areas of our operations. Here are some of our efforts that will help to build on our record of achievement and provide a sound foundation for **FUTURE GROWTH!**

LENDING

We were focused on our core business activity of providing finance secured by real estate, principally residential home loans.

- The society's Australian Credit Licence was renewed again in January 2012. The Licence is issued under the National Consumer Credit Protection Act 2009 which is regulated by the Australian Securities and Investment Commission (ASIC). As Licence-holders, we are required to meet a number of general conduct requirements including the responsible lending obligations stated in the Act on an ongoing basis. In addition, we are required to maintain adequate systems and resources while also undertaking training of our representatives to ensure their ongoing competence.
- 'Home Loan Key Fact Sheet' Calculators were made available to home loan applicants from 1 January 2012. These were developed in response to the requirements of the National Consumer Credit Protection Amendment (Home Loans and Credit Cards) Act 2011.
- Interest rates applicable to new or existing borrowers were managed after taking into account a range of key factors including target 'cash rate' announcements by the Reserve Bank of Australia as well as the society's loan funding costs, operating margin and prevailing market conditions.
- There was a continued focus on ensuring that new loan approvals were in keeping with sound lending principles.
- Wide Bay Australia loan applications were redesigned to allow for easier completion and to further streamline our internal assessment, processing and compliance processes.
- We took steps to enhance our communication and relationships with existing and new mortgage brokers and introducers. This included issuing regular bulletins, attending professional development days and providing education to individual brokers.
- In April 2012, the NextGen 'Apply Online' platform was rolled out, allowing brokers to lodge credit applications electronically. Now some of Australia's largest mortgage broking aggregators are submitting applications online directly to Wide Bay Australia's loans team, allowing for faster responses and efficient processing.
- We increased our focus on credit management. This included implementing additional reporting, personnel and resources.
- In June 2012, the bulk of our home loans insured with Mortgage Risk Management Pty Ltd were transferred over to QBE Lenders' Mortgage Insurance Limited.

FUNDING

We were focused on ensuring adequate and cost-effective funding of our current and future lending activities.

- Retail deposits - which include term deposit, savings and cash management accounts - were widely promoted throughout the year, resulting in solid investor support.
- In September 2011, the Australian Government announced that the guarantee of Wide Bay Australia customer deposits, under the Financial Claims Scheme, would be extended indefinitely. The new guarantee limit of $250,000 per person on 'protected accounts' came into effect 1 February 2012 and includes our term deposit, savings and transaction accounts.
- We have steadily reduced our reliance on wholesale funding through securitisation.
- A Negotiable Certificate of Deposit (NCD) program was established and well supported.

FINANCIAL

We were focused on managing the financial operations of the company to ensure stability and integrity.

- We've been working to ensure we meet new requirements for Basel III - a global standard to strengthen the regulation, supervision and risk management of the banking sector in the areas of capital adequacy, stress testing and market liquidity risk. The Australian Prudential Regulation Authority will release standards that will give effect to the Basel III reforms in Australia from 1 January 2013.
- In December 2011, ratings agency Standard & Poor's (Australia) upgraded our long term credit rating to 'BBB' and our short term rating to 'A-2 with a stable outlook'. The rating, which is provided for 'wholesale' clients only, is an accepted investment grade credit rating.
- A new accounting package was introduced to produce management and financial reports. The package also helps us reduce risks from input and processing errors.
- A more sophisticated approach to liquidity and capital forecasting and monitoring was introduced to provide the Management team and Board with more accurate projections.

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RISK

We were focused on improved resilience by enhancing our capability to identify and respond to business risks.

- A Chief Risk Officer was appointed to provide enhanced focus on our risk management and a Risk Management Committee, comprising of representatives of business units across the Group, was formed.
- We formalised our existing risk management activities into a framework for improved ongoing identification and evaluation of risks, and the development of controls across each area of the group's operations.
- An intranet-based dedicated risk management system was implemented.
- The Compliance Manager continued to provide assistance to business units with further support provided as required from external legal advisors.

PRODUCTS

We were focused on ensuring the products we offer, whether directly or together with our product partners, are competitive and meet the evolving needs of our customers.

- We released several more banking packages. These packages reward qualifying customers with both upfront and ongoing discounts and benefits on their home finance, daily banking, term deposit, insurance and credit card.
- A specialised website, that features an online application facility, was created as a platform for promoting our term deposit investments to a far wider audience than our traditional geographical markets.
- The Wide Bay Australia Visa Debit Card was released in December 2011. The card allows customers to access their own funds in their Visa Debit Account - both in Australia and overseas using ATM's, EFTPOS or for retail purchases at stores, by mail, by telephone or online.
- We strengthened our mutually beneficial relationship with financial planning company Financial Technology Securities Pty Ltd (FTS) whereby our customers who are seeking personal financial advice may be referred to FTS. Wide Bay Australia also continues to be one of the finance issuers selected by FTS Finance Brokers Pty Ltd when providing credit assistance to their clients.
- Flood cover was made available for all eligible addresses through Widecover Home Insurance - offered by Wide Bay Australia as an agent of Allianz Australia Insurance Ltd. The cover protects its holders from the financial hardship caused by damage to their building in the event of a flood.
- The Wide Bay Australia 'Platinum' MasterCard was launched in February 2012. This credit card, issued by Citibank Card Services, among other benefits offers 1.25 reward points for every dollar spent on purchases. The Platinum card provides approved applicants another option in addition to our existing 'Low Rate' and 'Rewards' credit cards.
- Strategic planning for the launch of personal car loans and business vehicle and equipment finance, in conjunction with Macquarie Leasing Pty Ltd, was well advanced at the close of the financial year.

RETAIL

We were focused on ensuring our retail branch network meets our strategic goals - while serving our customers in a friendly and efficient manner.

- The society continued to manage our retail network which in June 2012 entailed 42 Queensland branches and full service agencies - extending from Cairns up in North Queensland to Robina on the Gold Coast, plus full service branches in Sydney and Melbourne and a lending outlet in Adelaide.
- In March 2012, we opened a full service branch at the Emerald Marketplace Shopping Centre - in lieu of the former Emerald agency arrangement. The Moranbah branch was closed in June, principally due to staffing difficulties in that particular region.
- Subsequent to the close of the financial year, in July 2012, the Robina Town Centre branch was relocated to a more prominent and accessible Robina location.

- Wide Bay Australia's Loan Consultants, strategically situated across the network, provided both new and existing loans customers with personalised service.
- A network of 46 'Wide Bay' ATM's was maintained within our core footprint and we also continued with our arrangement whereby customers can access over 1800 'Westpac' branded ATM's across Australia and free of Westpac ATM fees.

TECHNOLOGY

We were focused on ensuring our technology and systems allow us to be efficient, were kept abreast of changing customer behaviour and provide a sound platform for future operations.

- We consolidated and modernised a number of our IT systems and processes to provide better experiences for staff and customers.
- There was a continued emphasis on selecting the technologies that provide long term efficiency benefits via back office automation.
- We reviewed technology processes and executed plans to provide for more resilient business systems.

PERSONNEL

We were focused on training and encouraging our employees to excel and deliver on our promise of 'banking your way'.

- We have continued our emphasis on face-to-face staff training delivered at the society's head office training facilities, at branches or online. Additional training has principally focused on customer service and sales skills, new product offerings and fulfilling the ever-increasing requirements of government compliance.
- We conducted the monthly Wide Bay Australia Staff Awards to recognise those personnel who achieve in Corporate Values, Customer Service and Sales. The Staff Member of the Year for 2011/12 was awarded to Patrisha Crowley, the Senior Customer Service Consultant at our Cooroy branch on the Sunshine Coast.

- A new corporate wardrobe was made available to male and female staff in February 2012. The new eco-friendly attire offers our staff the advantages of natural fibres of bamboo, wool and cotton. The range of choices allow our staff more expression of their individuality and the new styles enhance our corporate professionalism.

COMMUNITY

We were focused on our role as a good, caring 'corporate citizen' by being an active contributer to our local communities.

- Financial sponsorship (when possible) of community events, activities and organisations - encompassing a broad spectrum of sporting, social and cultural interests and endeavours.
- Donations to various charitable organisations eg. Legacy, Salvation Army, Royal Flying Doctor Service, Leukaemia Foundation, Make-a-Wish Foundation, National Stroke Foundation etc.
- We also provided merchandise and vouchers to a range of organisations as prizes for their own fundraising efforts eg. fetes, trivia nights.
- Our branches acted as collection points for community fundraising efforts eg. the Give Me 5 for Kids' Children's Ward Hospital Appeal.

- Our staff participated in charitable activities including the Cancer Council 'Relay for Life'; Leukaemia Foundation' Shave for a Cure'; 'Movember' and Citizens Who Care 'Guinness World Record Mattress Dominoes' (both raising funds for Prostate Cancer research); the Zonta Club 'Diminishing Coffee Party' (fundraising for domestic violence education and assistance) and the Daniel Morcombe Foundation 'Day for Daniel' child safety awareness campaign.

MARKETING

We were focused on building our reputation, attracting new markets and ensuring our customers are completely satisfied.

- We continued to position Wide Bay Australia as 'a real alternative to the big-banks for all Australians'.
- Product marketing was increasingly focused on mortgage aquisition. Campaign initiatives for lending included the 'up to $3000 cash gift with your home loan', the 'Holiday on the House' rewards program and the promotion of banking package discounts and incentives.
- We continued to promote our core and partner products and services using a broad range of channels including traditional media, direct mail and online. Promotions were conducted at branches, home shows and shopping centres.
- Enhancements were made to ongoing customer care, relationship building and retention processes.

financial statements, statutory reports & shareholder information

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wide bay australia
banking your way

contents

Directors' Statutory Report

Review and Results of Operations

The consolidated net profit after income tax for the year was $19,040,249 - compared to $22,675,036 for 2010/2011 - a decrease of 16.03%. Loans approved for the year totalled $306,600,230.

Principal Activities and Significant Changes

There have been no significant changes in the principal activities of Wide Bay Australia Ltd ('the Company') during the financial year, which is the provision of banking facilities and financial services, including the raising of funds on deposits and the provision of finance over mortgages secured by residential property.

In June 2012, the bulk of loans insured with the Company's wholly owned Lenders Mortgage Insurance captive Mortgage Risk Management Pty Ltd (MRM) were transferred to QBE Lenders' Mortgage Insurance Limited (QBE). The only new business written by MRM going forward is in respect of existing borrowers retained by MRM. The MRM Board will review the activities of the captive going forward into the ensuing financial year.

Wide Bay Australia Ltd is a company limited by shares and incorporated in Australia.

The number of full time equivalent employees at 30 June 2012 was 239.

Matters Subsequent to the End of the Financial Year and Future Developments

There has been no matter or circumstance since the end of the year that will significantly affect the results of operations in further years or the state of affairs of the Company.

Capital adequacy as at 30 June 2012 was 13.40%.

Likely Developments

During 2011/2012, with the slowing in housing demand in the first 6 months, we experienced a decline in total outstanding loans. In more recent months, we have seen an overall strengthening and increase in loan applications. This has seen the loan book stabilise over the last six months.

We anticipate this demand will continue to increase in 2012/2013 and show improved growth in our outstanding loans for the year. We are constantly reviewing other avenues for increasing our lending volumes, particularly through the use of mortgage brokers and introducers.

Business Strategies and Prospects for Future Financial Years

The Company continues to focus on residential lending primarily through our own branch network, and to a lesser extent, mortgage broker introduced loans.

The Board intends that the Company will continue to look at all opportunities as they emerge, particularly mergers of 'like' institutions and/or acquisitions that will complement our overall operations.

Dividends

Ordinary Shares

Dividends paid or declared by the Company, since the end of the last financial year, are as follows:

- An interim fully franked dividend of 22.5 cents per ordinary share was paid on 30 March 2012 (30 March 2011 - 30 cents).
- A final fully franked dividend of 25 cents per ordinary share has been declared by the Directors and will be paid on 25 September 2012 (04 October 2011 - 30 cents).
- The Dividend Reinvestment Plan (DRP) has been withdrawn for the final dividend payable in September 2012, as with the restructuring of MRM it is anticipated that, subject to the actuaries calculations and APRA approval, a return of capital will be made from MRM to Wide Bay Australia Ltd. This will further enhance the Company's capital ratio.

Directors

The names and particulars of the Directors of the Company in office during or since the end of the financial year are:

Mr John S Humphrey LL.B

Mr Humphrey was appointed to the Board on 19 February 2008 and was appointed Chairman following the November 2009 Annual General Meeting. He is a senior partner in the Brisbane office of national law firm, King & Wood Mallesons, where he specialises in commercial law and corporate mergers and acquisitions. He is currently a non-executive Director of Horizon Oil Limited and Downer-EDI Limited. Mr Humphrey is an independent Director, a member of the Audit Committee and a member of the Group Board Remuneration Committee. He is aged 57.

Mr Ronald E Hancock AM FCA, FAICD, FIFS

Mr Hancock is the Managing Director. He was a foundation Director and Manager of the Burnett Permanent Building Society formed in 1966, which subsequently merged with other Queensland societies to form Wide Bay Capricorn Building Society Ltd, subsequently Wide Bay Australia Ltd.

Mr Hancock was a practising chartered accountant for 32 years and is a Director of Mortgage Risk Management Pty Ltd and Financial Technology Securities Pty Ltd. Mr Hancock is an executive Director and is aged 70.

Mrs Frances M McLeod MAICD, FIFS

Mrs McLeod was appointed to the Board in 2003. She is Chief Operating Officer of Wide Bay Australia Ltd and has a wide range of experience based on her involvement with the Company for over 37 years. She is a Director of Mortgage Risk Management Pty Ltd. Mrs McLeod is an executive Director and is aged 54.

Mr John F Pressler OAM FAICD, FIFS

Mr Pressler was appointed to the Board in 1988. After 12 years as Chairman he stepped down at the meeting following the November 2009 Annual General Meeting. He is a prominent figure in Emerald's agricultural and horticultural industries and is the Chairman of the listed Lindsay Australia Ltd. He is the Chairman of Mortgage Risk Management Pty Ltd, having been appointed on 21 January 2011. Mr Pressler is also a member of the Audit Committee, an independent Director and Chairman of the Group Board Remuneration Committee. He is aged 70.

Mr Peter J Sawyer FCA, FAICD, FIFS

Mr Sawyer has been a Director since 1987. Until August 2008, he was a partner of the firm Ulton, Chartered Accountants with offices in Bundaberg, Maryborough, Hervey Bay and Gladstone. Mr Sawyer is Chairman of the Bundaberg Friendly Society Medical Institute which runs the Friendly Society Private Hospital and Pharmacies in Bundaberg. Mr Sawyer is the Chairman of the Audit Committee, an independent Director and a member of the Group Board Remuneration Committee. He was appointed as a Director of Mortgage Risk Management Pty Ltd on 21 January 2011. He is aged 62.

Mr Barry Dangerfield

Mr Dangerfield was appointed to the Board on 22 November 2011. He has had 38 years experience in the banking industry, having held senior positions in commercial, retail and agribusiness. Mr Dangerfield is a non-executive Director and is aged 56.

The abovenamed Directors held office during the whole of the financial year, excluding Barry Dangerfield who was appointed 22 November 2011.

Company Secretary

Mr William R Schafer B.Com, CA

Mr Schafer was appointed Company Secretary in August 2001. He has extensive experience in public accounting and management (law firms). He is an Associate of the Institute of Chartered Accountants.

Directors' Meetings

During the financial year, 14 meetings of the Directors, 8 meetings of the Audit Committee and 3 meetings of the Remuneration Committee were held, in respect of which each Director attended the following number:

	Board		Audit		Remuneration	
	Held	Attended	Held	Attended	Held	Attended
JF Pressler	14	12	8	7	3	3
RE Hancock	14	14	8	8*	3	1^
JS Humphrey	14	14	8	8	3	3
FM McLeod	14	12	8	7*	n/a	n/a
PJ Sawyer	14	13	8	8	3	3
B Dangerfield (appointed 22 November 2011)	8	7	4	4	0	0

* Messrs Hancock and McLeod, who are not members of the Audit Committee, attended the Audit Committee meetings by invitation.

^ Mr Hancock, who is not a member of the Remuneration Committee, attended the Remuneration Committee meeting by invitation.

Directors' Shareholdings

The Directors currently hold shares of the company in their own name or a related body corporate as follows:

	Ordinary Shares
RE Hancock	2,120,871
JS Humphrey	31,551
FM McLeod	136,940
PJ Sawyer	603,512

While Mr J F Pressler does not hold shares individually or in a related body corporate, he is a Director of Hestearn Pty Ltd, which holds 308,543 shares. Mr Pressler does not have a controlling interest in Hestearn Pty Ltd.

Related Party Disclosure

The following persons and entities related to key management personnel have provided services to the Company. In each case the transactions have occurred within a normal supplier - customer relationship on conditions no more favourable than those available to other suppliers.

	$ 2012	$ 2011
King & Wood Mallesons, a related party due to having a common Director being John S Humphrey, received fees for legal services and corporate advice 1: Corporate restructure ($7,464) 2: Securitisation ($193,717) 3: Business combination ($35,757)		
totalling:	**236,938**	42,082

Remuneration Report

The fees payable for non-executive Directors are determined with reference to industry standards, the size of the Company, performance and profitability. The Directors' fees are approved by the shareholders at the Annual General Meeting in the aggregate and the individual allocation is approved by the Board.

Remuneration of senior executives and other executive Directors for 2011/12 was subject to the Remuneration Committee and ratified by the Board. Relevant remuneration was based on the individual's performance throughout the year, the duties and responsibilities undertaken and is set so as to reflect the remuneration commensurate with the market place, given those duties and performances.

The Board Remuneration Committee consists of all independent Directors with Mr J Pressler as Chairman.

No company performance based payments were made to senior executives during the year.

Remuneration Report continued

Details of the nature and amount of each major element of the remuneration of each Director and each of the named officers of the Company receiving the highest remuneration and the key management personnel are:

		Short Term Benefits			Post Employment Benefits		Termination Benefits	Share Based Payments	Other Long Term Benefits	Total
		Cash Salary and Fees	Cash Bonus	Non-Monetary	Superannuation	Retirement Benefits	Termination Benefits	Options		
		$	$	$	$	$	$	$	$	$
Specified Directors										
Hancock, RE	2010/11	1,143,278		34,436	50,000					1,227,714
Managing Director	2011/12	1,179,076		15,209	50,000					1,244,285
McLeod, FM	2010/11	265,509		9,057	42,491					317,057
Director & Chief Operating Officer	2011/12	276,130		3,987	40,968					321,085
Humphrey, JS	2010/11	97,534			8,778					106,312
Chairman (non-exec)	2011/12	102,122			9,190					111,312
Fell, JH	2010/11	-			35,717					35,717
Director (non-exec) retired 14 December 2010	2011/12	-			-					-
Pressler, JF	2010/11	68,750			10,000					78,750
Director (non-exec)	2011/12	72,750			10,000					82,750
Sawyer, PJ	2010/11	28,750			50,000					78,750
Director (non-exec)	2011/12	42,750			40,000					82,750
Dangerfield, B	2010/11	-			-					-
Director (non-exec)	2011/12	46,256			4,163					50,419
Total Remuneration - Specified Directors										
	2010/11	1,603,821		43,493	196,986					1,844,300
	2011/12	1,719,084		19,196	154,321					1,892,601

		Short Term Benefits			Post Employment Benefits		Termination Benefits	Share Based Payments	Other Long Term Benefits	Total
		Cash Salary and Fees	Cash Bonus	Non-Monetary	Superannuation	Retirement Benefits	Termination Benefits	Options		
		$	$	$	$	$	$	$	$	$
Other Key Management Personnel										
Schafer, WR	2010/11	284,800		4,025	15,200					304,025
Chief Financial Officer	2011/12	293,086		3,420	15,775					312,281
Butler, SV	2010/11	159,287		805	15,200					175,292
Loans Manager	2011/12	162,563		-	16,554					179,117
Hancock, DA	2010/11	186,363		8,090	15,200					209,653
Manager - Structured Finance, Products & Interstate Operations	2011/12	192,431		2,992	15,775					211,198
Ashton, AR	2010/11	109,337		5,675	31,662					146,674
Internal Auditor	2011/12	98,372		2,094	48,536					149,002
Caville, SM	2010/11	143,083		7,043	12,878					163,004
Chief Information Officer	2011/12	164,414		2,256	15,755					182,425
Pokarier, IR	2010/11	188,535			27,684	94,313				310,532
Operations Manager retired 29 October 2010	2011/12	-			-	-				-
Total Remuneration - Specified Executives										
	2010/11	1,071,405		25,638	117,824	94,313				1,309,180
	2011/12	910,866		10,762	112,395	-				1,034,023

Employment Contracts

All named Key Management Personnel, the Managing Director and Chief Operating Officer have employment contracts. Major provisions of those agreements are summarised below:

Managing Director - R E Hancock

- Contract dated - 21 May 2007
- Term of agreement - no fixed term
- Wide Bay Australia or R E Hancock may terminate this agreement by providing 4 months written notice or provide payment in lieu of the notice period.
- Payment on early termination due to a takeover or not being offered ongoing employment in Bundaberg in an equivalent position, equal to 6 months salary plus 2 weeks salary per year of service with a minimum payment of 20 weeks and a maximum payment of 104 weeks.

Executive Director & Chief Operating Officer - F M McLeod

- Contract dated - 21 May 2007
- Term of agreement - no fixed term
- Wide Bay Australia or F M McLeod may terminate this agreement by providing 4 months written notice or provide payment in lieu of the notice period.
- Payment on early termination due to a takeover or not being offered ongoing employment in Bundaberg in an equivalent position, equal to 6 months salary plus 2 weeks salary per year of service with a minimum payment of 20 weeks and a maximum payment of 104 weeks.

Chief Financial Officer & Company Secretary - W R Schafer

- Contract dated - 28 May 2007
- Term of agreement - no fixed term
- Wide Bay Australia or W R Schafer may terminate this agreement by providing 4 months written notice or provide payment in lieu of the notice period.
- Payment on early termination due to a takeover or not being offered ongoing employment in Bundaberg in an equivalent position, equal to 6 months salary plus 2 weeks salary per year of service with a minimum payment of 20 weeks and a maximum payment of 104 weeks.

Loans Manager - S V Butler

- Contract dated - 18 May 2007
- Term of agreement - no fixed term
- Wide Bay Australia or S V Butler may terminate this agreement by providing 4 months written notice or provide payment in lieu of the notice period.
- Payment on early termination due to a takeover or not being offered ongoing employment in Bundaberg in an equivalent position, equal to 6 months salary plus 2 weeks salary per year of service with a minimum payment of 20 weeks and a maximum payment of 104 weeks.

Manager - Structured Finance, Products and Interstate Operations - D A Hancock

- Contract dated - 28 May 2007
- Term of agreement - no fixed term
- Wide Bay Australia or D A Hancock may terminate this agreement by providing 4 months written notice or provide payment in lieu of the notice period.
- Payment on early termination due to a takeover or not being offered ongoing employment in Bundaberg in an equivalent position, equal to 6 months salary plus 2 weeks salary per year of service with a minimum payment of 20 weeks and a maximum payment of 104 weeks.

Internal Auditor - AR Ashton

- Contract dated - 29 May 2007
- Term of agreement - no fixed term
- Wide Bay Australia or A R Ashton may terminate this agreement by providing 3 months written notice or provide payment in lieu of the notice period.
- Payment on early termination due to a takeover or not being offered ongoing employment in Bundaberg in an equivalent position, equal to 4 months salary plus 2 weeks salary per year of service with a minimum payment of 16 weeks and a maximum payment of 104 weeks.

Chief Information Officer - S M Caville

- Contract dated - 01 November 2010
- Term of agreement - no fixed term
- Wide Bay Australia or S M Caville may terminate this agreement by providing 4 months written notice or provide payment in lieu of the notice period.
- Payment on early termination due to a takeover or not being offered ongoing employment in Bundaberg in an equivalent position, equal to 6 months salary plus 2 weeks salary per year of service with a minimum payment of 20 weeks and a maximum payment of 104 weeks.

Indemnities and Insurance Premiums for Officers and Auditors

During the financial year the Company has paid premiums to indemnify Directors and officers against personal losses arising from their respective positions within the Company. During the reporting period and subsequent to 30 June 2012, no amounts have been paid under the indemnities by the Company.

The Directors and Officers of the Company and its subsidiaries are insured against certain liabilities arising in the course of their duties. This premium is paid by the Company but under the confidentiality provisions of this policy, the Directors have not disclosed the nature of the liability, the insurer, the limit of liability or the premiums paid.

Non-Audit Services

During the year, Bentleys, the Company's Auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the Auditor, and in accordance with advice provided by the Audit Committee, is satisfied that the provision of those non-audit services during the year by the Auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services were subject to the Corporate Governance procedures adopted by the Company and have been reviewed by the Audit Committee to ensure they do not impact the integrity and objectivity of the Auditor, and
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 'Code of Ethics for Professional Accountants' issued by the Accounting Professional and Ethical Standards Board, as they did not involve reviewing or auditing the Auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

A copy of the Auditor's Independence Declaration, as required under Section 307C of the Corporations Act, is included in the Directors' Statutory Report.

Non-audit services paid to Bentleys are as follows:

	$ 2012	$ 2011
Services provided in connection with the:		
Tax return (including subsidiaries)	**21,916**	17,741
Tax advice	**21,532**	8,219
Other services	**4,092**	23,230
Total	**47,540**	49,190

Auditors' Independence Declaration

under Section 307C of the Corporations Act 2001

to the Directors of Wide Bay Australia Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012 there have been:

a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

Bentleys
Brisbane Partnership

17 August 2012
Brisbane

Stewart Douglas
Partner

This Report is signed for and on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

R E Hancock AM
Managing Director

21 August 2012
Bundaberg

J S Humphrey
Director

Statement of Comprehensive Income

for the year ended
30 June 2012

	Note	CONSOLIDATED $ 2012	$ 2011	CHIEF ENTITY $ 2012	$ 2011
Interest revenue	2	**181,603,128**	188,793,982	**180,424,537**	186,997,417
Borrowing costs	2	**128,788,317**	131,994,334	**129,048,242**	132,171,411
Net interest revenue		**52,814,811**	56,799,648	**51,376,295**	54,826,006
Share of profit of associate	11	**625,000**	875,000	**625,000**	875,000
Other non interest revenue	3	**16,079,277**	15,015,933	**13,987,703**	11,987,190
Employee benefits expense		**16,983,582**	15,742,735	**16,983,582**	15,742,735
Depreciation expense		**1,361,164**	1,484,136	**1,290,558**	1,413,530
Amortisation expense		**355,103**	363,606	**355,103**	363,606
Occupancy expense		**2,516,014**	2,344,844	**2,635,961**	2,445,188
Bad and doubtful debts expense	10	**360,457**	219,653	**430,572**	204,135
Other expenses	3	**20,718,976**	19,905,012	**17,461,323**	16,572,043
Profit before income tax		**27,223,792**	32,630,595	**26,831,899**	30,946,959
Income tax expense	4	**8,158,784**	10,009,224	**7,898,903**	8,892,449
Profit from continuing operations		**19,065,008**	22,621,371	**18,932,996**	22,054,510
Other comprehensive income:					
Revaluation of RMBS investments to fair value		**(56,127)**	238,162	**(56,127)**	238,162
Less deferred tax relating to comprehensive income		**16,838**	(71,448)	**16,838**	(71,448)
Revaluation of land and buildings to fair value		**(2,216,225)**	-	**(2,216,225)**	-
Less deferred tax relating to revaluation of land and buildings		**664,868**	-	**664,868**	-
Other comprehensive income for the year		**(1,590,646)**	166,714	**(1,590,646)**	166,714
Total comprehensive income for the year		**17,474,362**	22,788,085	**17,342,350**	22,221,224
Profit attributable to:					
Owners of the parent entity		**19,040,249**	22,675,036	**18,932,996**	22,054,510
Non-controlling		**24,759**	(53,665)	**-**	-
		19,065,008	22,621,371	**18,932,996**	22,054,510
Total comprehensive income attributable to:					
Owners of the parent entity		**17,449,603**	22,841,750	**17,342,350**	22,221,224
Non-controlling interests		**24,759**	(53,665)	**-**	-
		17,474,362	22,788,085	**17,342,350**	22,221,224
Earnings per share					
Basic earnings per share (cents per share)	28	**53.23**	66.36		
Diluted earnings per share (cents per share)	28	**53.23**	66.36		

Statement of Financial Position

as at 30 June 2012

	Note	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
ASSETS					
Cash and cash equivalents	6	**76,042,103**	88,665,896	**64,878,677**	75,445,338
Due from other financial institutions	7	**11,449,049**	4,171,649	**11,449,049**	4,171,649
Accrued receivables	8	**7,326,363**	5,576,798	**7,180,626**	5,106,199
Financial assets	9	**289,127,785**	249,437,737	**279,274,106**	238,346,163
Loans and advances	10	**2,229,447,630**	2,278,964,727	**2,231,592,734**	2,281,563,533
Other investments	11	**8,155,432**	8,107,649	**28,576,476**	28,528,693
Property, plant and equipment	12	**17,169,750**	19,772,071	**13,669,750**	16,039,012
Deferred income tax assets	13	**2,268,889**	2,211,751	**1,927,136**	1,764,258
Other assets	14	**13,550,832**	9,927,638	**13,013,978**	9,532,732
Goodwill	15	**42,057,110**	42,057,110	**43,316,012**	43,316,012
Total assets		**2,696,594,943**	2,708,893,026	**2,694,878,544**	2,703,813,589
LIABILITIES					
Deposits and short term borrowings	16	**1,625,629,847**	1,453,950,919	**1,628,472,978**	1,459,419,862
Payables and other liabilities	17	**35,437,030**	34,371,538	**34,435,597**	31,537,905
Securitised loans	10	**798,597,187**	971,802,659	**798,597,187**	971,802,659
Income tax payable	18	**978,176**	1,527,456	**978,176**	1,527,456
Deferred income tax liabilities	18	**2,992,949**	4,214,289	**2,499,882**	3,721,221
Provisions	19	**6,336,805**	10,329,853	**3,000,968**	2,705,355
Subordinated capital notes	20	**28,000,000**	38,000,000	**28,000,000**	38,000,000
Total liabilities		**2,497,971,994**	2,514,196,714	**2,495,984,788**	2,508,714,458
Net assets		**198,622,949**	194,696,312	**198,893,756**	195,099,131
EQUITY					
Parent entity interest in equity					
Contributed equity	21	**161,810,414**	156,383,983	**161,810,414**	156,383,983
Reserves	22	**14,443,524**	16,034,170	**14,443,524**	16,034,170
Retained profits		**22,868,454**	22,802,361	**22,639,818**	22,680,978
Total parent entity interest in equity		**199,122,392**	195,220,514	**198,893,756**	195,099,131
Non-controlling interests	23				
Contributed equity		**1,000**	1,000		
Retained profits		**(500,443)**	(525,202)		
Total non-controlling interests		**(499,443)**	(524,202)		
Total equity		**198,622,949**	194,696,312	**198,893,756**	195,099,131

Statement of Cash Flows

for the year ended
30 June 2012

	Note	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
CASH FLOWS FROM OPERATING ACTIVITIES					
Interest received		**180,485,240**	189,987,747	**179,306,649**	187,041,681
Dividends received		**606,482**	719,009	**1,206,482**	2,619,009
Borrowing costs		**(125,629,641)**	(126,414,340)	**(125,889,566)**	(126,591,417)
Other non interest income received		**9,738,014**	9,267,021	**13,304,677**	10,080,831
Cash paid to suppliers and employees		**(45,365,526)**	(35,085,252)	**(42,680,775)**	(36,749,946)
Income tax paid		**(9,384,227)**	(12,276,583)	**(9,167,533)**	(10,189,444)
Net cash flows from operating activities	24	**10,450,342**	26,197,602	**16,079,934**	26,210,714
CASH FLOWS FROM INVESTING ACTIVITIES					
Net increase in investment securities		**(44,786,808)**	(48,380,762)	**(46,024,702)**	(43,020,103)
Net increase in amounts due from other financial institutions		**5,224,186**	73,085,277	**5,224,186**	73,085,277
Net increase in loans		**49,366,066**	(26,492,791)	**49,819,766**	(26,201,771)
Net increase in other investments		**(7,306,528)**	(135,000)	**(7,306,528)**	(135,000)
Purchase of non current assets		**(1,330,172)**	(1,109,736)	**(1,492,625)**	(1,109,736)
Proceeds from sale of property, plant and equipment		**2,880**	1,000	**2,880**	1,000
Net cash used in investing activities		**1,169,624**	(3,032,012)	**222,977**	2,619,667
CASH FLOWS FROM FINANCING ACTIVITIES					
Net increase in deposits and other borrowings		**172,668,325**	143,088,529	**170,042,513**	145,519,452
Purchase (redemption) of subordinated capital notes		**(10,000,000)**	13,000,000	**(10,000,000)**	13,000,000
Net increase in amounts due to other financial institutions and other liabilities		**(173,704,028)**	(190,858,113)	**(173,704,028)**	(190,858,113)
Proceeds from share issue		**865,328**	25,133,233	**865,328**	25,295,476
Dividends paid		**(14,073,384)**	(14,033,852)	**(14,073,385)**	(14,033,853)
Net cash flows from financing activities		**(24,243,759)**	(23,670,203)	**(26,869,572)**	(21,077,038)
NET INCREASE/(DECREASE) IN CASH HELD		**(12,623,793)**	(504,613)	**(10,566,661)**	7,753,343
Cash at beginning of financial year		**88,665,896**	89,170,509	**75,445,338**	67,691,995
CASH AT END OF FINANCIAL YEAR	6	**76,042,103**	88,665,896	**64,878,677**	75,445,338

For the purposes of the Statement of Cash Flows, cash includes cash on hand and deposits on call.
The cash at the end of the year can be agreed directly to the Statement of Financial Position.

Statement of Changes in Equity

for the year ended 30 June 2012

CONSOLIDATED	Note	Share Capital Ordinary $	Retained Profits $	Asset Revaluation Reserve $	General Reserve $	Statutory Reserve $	Doubtful Debts Reserve $	Available for Sale Reserve $	Non-Controlling Interests $	Total $
Balance at 01 July 2010		124,647,825	20,541,948	4,969,636	5,833,939	2,676,071	2,387,810	-	(470,537)	160,586,692
Total comprehensive income for year:										
Profit attributable to members of parent company		-	22,675,036	-	-	-	-	-	-	22,675,036
Profit attributable to non-controlling interests		-	-	-	-	-	-	-	(53,665)	(53,665)
Increase due to revaluation increment on RMBS investments		-	-	-	-	-	-	238,162	-	238,162
Deferred tax liability adjustment on revaluation increment on RMBS investments		-	-	-	-	-	-	(71,448)	-	(71,448)
Subtotal		124,647,825	43,216,984	4,969,636	5,833,939	2,676,071	2,387,810	166,714	(524,202)	183,374,777
Issue of share capital for staff share plan		1,003,853	-	-	-	-	-	-	-	1,003,853
Issue of share capital for dividend reinvestment plan		6,381,297	-	-	-	-	-	-	-	6,381,297
Issue of share capital for share placement		10,008,450	-	-	-	-	-	-	-	10,008,450
Issue of share capital for share purchase plan		14,721,125	-	-	-	-	-	-	-	14,721,125
Share issue costs		(540,809)	-	-	-	-	-	-	-	(540,809)
Deferred tax asset adjustment on share issue costs		162,242	-	-	-	-	-	-	-	162,242
Dividends provided for or paid - ordinary shares		-	(20,414,623)	-	-	-	-	-	-	(20,414,623)
Balance at 30 June 2011		**156,383,983**	**22,802,361**	**4,969,636**	**5,833,939**	**2,676,071**	**2,387,810**	**166,714**	**(524,202)**	**194,696,312**
Balance at 01 July 2011		156,383,983	22,802,361	4,969,636	5,833,939	2,676,071	2,387,810	166,714	(524,202)	194,696,312
Total comprehensive income for year:										
Profit attributable to members of parent company		-	19,040,249	-	-	-	-	-	-	19,040,249
Profit attributable to non-controlling interests		-	-	-	-	-	-	-	24,759	24,759
Prior period adjustment	34	-	(303,450)	-	-	-	-	-	-	(303,450)
Decrease due to revaluation decrement on RMBS investments		-	-	-	-	-	-	(56,127)	-	(56,127)
Deferred tax liability adjustment on revaluation decrement on RMBS investments		-	-	-	-	-	-	16,838	-	16,838
Decrease due to revaluation decrement on land and buildings		-	-	(2,216,225)	-	-	-	-	-	(2,216,225)
Deferred tax liability adjustment on revaluation decrement on land and buildings		-	-	664,868	-	-	-	-	-	664,868
Subtotal		156,383,983	41,539,160	3,418,279	5,833,939	2,676,071	2,387,810	127,425	(499,443)	211,867,224
Issue of share capital for staff share plan		829,109	-	-	-	-	-	-	-	829,109
Issue of share capital for dividend reinvestment plan		4,597,322	-	-	-	-	-	-	-	4,597,322
Dividends provided for or paid - ordinary shares		-	(18,670,706)	-	-	-	-	-	-	(18,670,706)
Balance at 30 June 2012		**161,810,414**	**22,868,454**	**3,418,279**	**5,833,939**	**2,676,071**	**2,387,810**	**127,425**	**(499,443)**	**198,622,949**

Statement of Changes in Equity continued

for the year ended 30 June 2012

CHIEF ENTITY	Note	Share Capital Ordinary $	Retained Profits $	Asset Revaluation Reserve $	General Reserve $	Statutory Reserve $	Doubtful Debts Reserve $	Available for Sale Reserve $	Non-Controlling Interests $	Total $
Balance at 01 July 2010		124,647,825	21,041,091	4,969,636	5,833,939	2,676,071	2,387,810	-	-	161,556,372
Total comprehensive income for year:										
Profit attributable to members of parent company		-	22,054,510	-	-	-	-	-	-	22,054,510
Increase due to revaluation increment on RMBS investments		-	-	-	-	-	-	238,162	-	238,162
Deferred tax liability adjustment on revaluation increment on RMBS investments		-	-	-	-	-	-	(71,448)	-	(71,448)
Subtotal		124,647,825	43,095,601	4,969,636	5,833,939	2,676,071	2,387,810	166,714	-	183,777,596
Issue of share capital for staff share plan		1,003,853	-	-	-	-	-	-	-	1,003,853
Issue of share capital for dividend reinvestment plan		6,381,297	-	-	-	-	-	-	-	6,381,297
Issue of share capital for share placement		10,008,450	-	-	-	-	-	-	-	10,008,450
Issue of share capital for share purchase plan		14,721,125	-	-	-	-	-	-	-	14,721,125
Share issue costs		(540,809)	-	-	-	-	-	-	-	(540,809)
Deferred tax asset adjustment on share issue costs		162,242	-	-	-	-	-	-	-	162,242
Dividends provided for or paid - ordinary shares		-	(20,414,623)	-	-	-	-	-	-	(20,414,623)
Balance at 30 June 2011		**156,383,983**	**22,680,978**	**4,969,636**	**5,833,939**	**2,676,071**	**2,387,810**	**166,714**	**-**	**195,099,131**
Balance at 01 July 2011		156,383,983	22,680,978	4,969,636	5,833,939	2,676,071	2,387,810	166,714	-	195,099,131
Total comprehensive income for year:										
Profit attributable to members of parent company		-	18,932,996	-	-	-	-	-	-	18,932,996
Prior period adjustment	34	-	(303,450)	-	-	-	-	-	-	(303,450)
Decrease due to revaluation decrement on RMBS investments		-	-	-	-	-	-	(56,127)	-	(56,127)
Deferred tax liability adjustment on revaluation decrement on RMBS investments		-	-	-	-	-	-	16,838	-	16,838
Decrease due to revaluation decrement on land and buildings		-	-	(2,216,225)	-	-	-	-	-	(2,216,225)
Deferred tax liability adjustment on revaluation decrement on land and buildings		-	-	664,868	-	-	-	-	-	664,868
Subtotal		156,383,983	41,310,524	3,418,279	5,833,939	2,676,071	2,387,810	127,425	-	212,138,031
Issue of share capital for staff share plan		829,109	-	-	-	-	-	-	-	829,109
Issue of share capital for dividend reinvestment plan		4,597,322	-	-	-	-	-	-	-	4,597,322
Dividends provided for or paid - ordinary shares		-	(18,670,706)	-	-	-	-	-	-	(18,670,706)
Balance at 30 June 2012		**161,810,414**	**22,639,818**	**3,418,279**	**5,833,939**	**2,676,071**	**2,387,810**	**127,425**	**-**	**198,893,756**

Notes to the Financial Statements

for the year ended 30 June 2012

Note 1

BASIS OF PREPARATION

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. The financial report has also been prepared on a historical cost basis, except for land and buildings, derivative financial instruments and available-for-sale financial assets that have been measured at fair value.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ("IFRS").

The financial report covers the consolidated group of Wide Bay Australia Ltd and controlled entities, ("consolidated entity/economic entity") and Wide Bay Australia Ltd as an individual parent entity ("the society/ company"). Wide Bay Australia is a listed public company, incorporated and domiciled in Australia.

a) Principles of consolidation

A controlled entity is any entity Wide Bay Australia Ltd has the power to control the financial and operating policies of so as to obtain benefits from its activities.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent company.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Minority equity interests (non-controlling interests) in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

b) Income tax

The economic entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Tax consolidation legislation

The company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law as of the financial year ended 30 June 2008. Wide Bay Australia Ltd is the head entity in the tax consolidation group, and as a consequence recognises current and deferred tax amounts relating to transactions, events and balances of the wholly-owned Australian controlled entities in this group as if those transactions, events and balances were its own, in addition to the current and deferred tax amounts arising in relation to its own transactions, events and balances. The tax consolidated group has not entered into a tax sharing agreement.

c) Property, plant & equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation periods used for each class of depreciable assets are:

- Buildings - 40 years
- Plant and equipment - 4 to 6 years
- Leasehold improvements - 4 to 6 years or the term of the lease, whichever is the lesser

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

e) Financial instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

The group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the group is recognised as a separate asset or liability.

The group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the statement of comprehensive income in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method, less any impairment losses.

Held-to-maturity investments

These investments have fixed maturities and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method, less any impairment losses.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Share capital - Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

f) Investments in associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting where significant influence is exercised over an investee. Significant influence exists where the investor has the power to participate in the financial and operating policy decisions of the investees but does not have control or joint control over those policies.

The financial statements of the associate are used by the group to apply the equity method. The reporting dates of the associate and the group are identical and both use consistent accounting policies.

The investment in the associate is carried in the consolidated and chief entity statement of financial position at cost plus post-acquisition changes in the group's share of net assets of the associate, less any impairment in value. The consolidated and chief entity statement of comprehensive income reflects the group's share of the results of operations of the associate.

Where there has been a change recognised directly in the associate's equity, the group recognises its share of any changes and discloses this, when applicable, in the consolidated and chief entity statement of changes in equity.

g) Goodwill

Goodwill acquired in a business combination is initially measured at its cost, being the excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised at the date of the acquisition. Goodwill is subsequently measured at its cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units, or groups of cash-generating units, expected to benefit from the synergies of the business combination. Cash-generating units or groups of cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently if events or changes in circumstances indicate that goodwill might be impaired.

h) Intangibles

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

i) Employee benefits

Provision is made for the economic entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

j) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

k) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

l) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

m) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.

Interest is recognised as it accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Dividend revenue is recognised when the shareholder's right to receive the payment is established.

Fees and commissions are recognised as revenue or expenses on an accrual basis.

Premium Revenue - Mortgage Risk Management Pty Ltd

Premiums have been brought to account as income from the date of attachment of risk. Direct Premiums comprise amounts charged to the policy holder, excluding stamp duties collected on behalf of the statutory authorities. The earned portion of premiums received and receivable is recognised as revenue.

n) Loans and advances - Doubtful Debts

During the year the insurance for a significant portion of loans was transferred from MRM to QBE. MRM will continue to insure the remaining portfolio not transferred, with all new loans in excess of 80% LVR being insured with QBE going forward.

As at 30 June 2012 there were two loans on which interest was not being accrued due to hardship concessions.

Specific provisions for doubtful debts and write-off of debts are in respect of overdrawn savings accounts, leases, secured commercial loans and relevant non recoverable amounts

o) Adoption of new and revised accounting standards

There were no material changes as a result of adoption of new and revised Accounting Standards during the year.

p) New standards and interpretations not yet adopted

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the group. The group has decided not to early adopt any of the new and amended pronouncements.

The group's assessment of the new and amended pronouncements that are relevant to the group but applicable in future reporting periods is set out below:

- ***AASB 9:*** *Financial Instruments* (December 2010) and ***AASB 2010-7:*** *Amendments to Australian Accounting Standards arising from AASB 9* (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applicable for annual reporting periods commencing on or after 1 January 2013).

  These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

  The key changes made to accounting requirements include:

  - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
  - simplifying the requirements for embedded derivatives;
  - removing the tainting rules associated with held-to-maturity assets;
  - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
  - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
  - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
  - requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

  The group has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

- ***AASB 2010-8:*** *Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets* [AASB 112] (applies to periods beginning on or after 1 January 2012).

  This Standard makes amendments to AASB 112: Income Taxes and incorporates Interpretation 121: Income Taxes - Recovery of Revalued Non-Depreciable Assets into AASB 112.

  Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

  The amendments are not expected to significantly impact the group.

- ***AASB 10:*** *Consolidated Financial Statements,* ***AASB 11:*** *Joint Arrangements,* ***AASB 12:*** *Disclosure of Interests in Other Entities,* ***AASB 127:*** *Separate Financial Statements* (August 2011), ***AASB 128:*** *Investments in Associates and Joint Ventures (August 2011)* and ***AASB 2011-7:*** *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation - Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The group has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

- ***AASB 11*** replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

- ***AASB 12*** contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the group.

  To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the group.

- ***AASB 13:*** *Fair Value Measurement* and ***AASB 2011-8:*** *Amendments to Australian Accounting Standards arising from AASB 13* [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 17, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

  AASB 13 requires:

  - inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
  - enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

  The impact of this Standard has not yet been assessed.

- ***AASB 2011-9:*** *Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income* [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).

  The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

  This Standard affects presentation only and is therefore not expected to significantly impact the group.

- ***AASB 119:*** *Employee Benefits* (September 2011) and ***AASB 2011-10:*** *Amendments to Australian Accounting Standards arising from AASB 119* (September 2011) [AASB 1, AASB 8, AASB101, AASB124, AASB134, AASB1049 & AASB 2011-8 and Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2013.

  These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The group does not have any defined benefit plans and so is not impacted by the amendment.

  AASB 119 (September 2011) also includes changes to the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:

  i) for an offer that may be withdrawn - when the employee accepts;
  ii) for an offer that cannot be withdrawn - when the offer is communicated to affected employees; and
  iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions - when the related restructuring costs are recognised.

  The group has not yet been able to reasonably estimate the impact of these changes to AASB 119.

q) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

r) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

Details on critical estimates and judgements in respect of impairment of receivables, impairment of investments and impairment of goodwill are disclosed in Note 1 n), Note 11 and Note 15 respectively.

Note 2

INTEREST REVENUE AND INTEREST EXPENSE

The following tables show the average balance for each of the major categories of interest bearing assets and liabilities, the amount of interest revenue or expense and the average interest rate. Month end averages are used as they are representative of the entity's operations during the period.

	$ Average balance	$ Interest	% Average interest rate
INTEREST REVENUE 2012			
Deposits with other financial institutions	**52,895,679**	**2,530,244**	**4.78**
Investment securities	**220,843,315**	**10,759,960**	**4.87**
Loans and advances	**2,286,801,182**	**167,412,604**	**7.32**
Other	**20,490,026**	**900,320**	**4.39**
	2,581,030,202	**181,603,128**	**7.04**
BORROWING COSTS 2012			
Deposits from other financial institutions	**836,898,611**	**48,130,359**	**5.75**
Customer deposits	**1,556,114,735**	**77,026,236**	**4.95**
Subordinated notes	**31,333,333**	**3,631,722**	**11.59**
	2,424,346,679	**128,788,317**	**5.31**
Net interest revenue 2012		**52,814,811**	
INTEREST REVENUE 2011			
Deposits with other financial institutions	107,242,878	6,127,520	5.71
Investment securities	154,166,701	8,591,537	5.57
Loans and advances	2,323,165,146	173,319,837	7.46
Other	17,175,136	755,088	4.40
	2,601,749,861	188,793,982	7.26
BORROWING COSTS 2011			
Deposits from other financial institutions	1,038,574,603	58,782,657	5.66
Customer deposits	1,413,134,569	70,184,659	4.97
Subordinated notes	27,166,667	3,027,018	11.14
	2,478,875,839	131,994,334	5.32
Net interest revenue 2011		56,799,648	

Note 3

PROFIT BEFORE INCOME TAX

Profit before income tax includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the consolidated group.

	CONSOLIDATED		CHIEF ENTITY	
	$ 2012	$ 2011	**$ 2012**	$ 2011
Profit relating to mortgage insurance activities (also refer note 1.m)				
Premium revenue	**2,344,478**	3,422,011	**-**	-

Note 3

Included in the profit before income tax are the following revenue items:

	CONSOLIDATED		CHIEF ENTITY	
	$ 2012	$ 2011	**$ 2012**	$ 2011
Other revenue				
Dividends				
Controlled entities	**-**	-	**600,000**	1,900,000
Other corporations	**140**	150	**140**	150
Fees and commissions	**11,749,502**	9,128,280	**11,749,502**	9,128,280
Revaluation of investment securities to fair value	**(52,269)**	1,149,502	**-**	-
Other revenue	**2,037,426**	1,315,990	**1,638,061**	958,760
	16,079,277	15,015,933	**13,987,703**	11,987,190

The profit before income tax is arrived at after charging the following items:

	CONSOLIDATED		CHIEF ENTITY	
	$ 2012	$ 2011	**$ 2012**	$ 2011
Other expenses				
Fees and commissions	**8,812,111**	8,773,908	**8,812,113**	8,773,908
Provisions for employee entitlements	**288,407**	415,185	**288,407**	415,185
General and administration expenses	**9,007,796**	7,872,669	**8,360,803**	7,382,950
Underwriting expenses	**2,610,662**	2,843,250	**-**	-
	20,718,976	19,905,012	**17,461,323**	16,572,043

Note 4

INCOME TAX

Major components of tax expense for the year are:

	CONSOLIDATED		CHIEF ENTITY	
	$ 2012	$ 2011	**$ 2012**	$ 2011
Current income tax	**8,755,557**	8,880,942	**8,601,415**	8,704,073
Deferred income tax	**(596,773)**	1,128,282	**(702,512)**	188,376
Income tax reported in income statement	**8,158,784**	10,009,224	**7,898,903**	8,892,449

The prima facie tax on profit before income tax differs from the income tax provided as follows:

	CONSOLIDATED		CHIEF ENTITY	
	$ 2012	$ 2011	**$ 2012**	$ 2011
Prima facie tax on profit before income tax at 30% (2011 - 30%)	**8,167,137**	9,789,178	**8,049,570**	9,284,088
Tax effect of permanent differences				
Depreciation of buildings	**93,051**	46,826	**93,051**	46,826
Franked dividends	**(181,945)**	(215,703)	**(181,945)**	(215,703)
Other items - net	**80,541**	130,782	**118,227**	89,097
Intra-group dividend (MRM)	**-**	-	**(180,000)**	(570,000)
Underprovision for taxation in prior year	**-**	258,141	**-**	258,141
Income tax expense attributable to profit from ordinary activities	**8,158,784**	10,009,224	**7,898,903**	8,892,449

Note 5

DIVIDENDS PAID

	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
Dividends paid during the year				
Interim for current year Fully franked dividend on ordinary shares	**10,605,465**	10,494,251	**10,605,465**	10,494,251
Final for previous year Fully franked dividend on ordinary shares	**8,065,241**	9,920,372	**8,065,241**	9,920,372
	18,670,706	20,414,623	**18,670,706**	20,414,623

In accordance with Accounting Standards, dividends are only provided for as declared or paid. Subsequent to the reporting date, the Board declared a dividend of 25 cents per ordinary share ($9.035 million), for the six months to 30 June 2012, payable on 25 September 2012.

The final dividend for the six months to 30 June 2011 ($10.605 million) was paid on 04 October 2011, and was disclosed in the 2010/11 financial accounts in accordance with Accounting Standards.

The tax rate at which the dividends have been franked is 30% (2011 - 30%).

The amount of franking credits available for the subsequent financial year are:

	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
Balance as at the end of the financial year	**12,415,447**	10,922,565	**12,415,447**	10,922,565
Credits that will arise from the payment of income tax payable per the financial statements	**978,176**	1,527,456	**978,176**	1,527,456
Debits that will arise from the payment of the proposed dividend	**(3,872,071)**	(4,544,861)	**(3,872,071)**	(4,544,861)
	9,521,552	7,905,160	**9,521,552**	7,905,160
Dividends - cents per share				
Dividend proposed				
Fully franked dividend on ordinary shares	**25.0**	30.0	**25.0**	30.0
Interim dividend paid during the year				
Fully franked dividend on ordinary shares	**22.5**	30.0	**22.5**	30.0
Final dividend paid for the previous year				
Fully franked dividend on ordinary shares	**30.0**	31.0	**30.0**	31.0

Note 6

CASH AND CASH EQUIVALENTS

	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
Cash on hand and at banks	**15,388,103**	23,559,627	**15,378,677**	23,545,338
Deposits on call	**60,654,000**	65,106,269	**49,500,000**	51,900,000
	76,042,103	88,665,896	**64,878,677**	75,445,338

Note 7

DUE FROM OTHER FINANCIAL INSTITUTIONS

	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
Bank term deposits	**50,000**	50,002	**50,000**	50,002
Deposits with SSP's	**11,274,464**	3,997,062	**11,274,464**	3,997,062
Subordinated loans	**124,585**	124,585	**124,585**	124,585
	11,449,049	4,171,649	**11,449,049**	4,171,649
Maturity analysis				
Up to 3 months	**-**	-	**-**	-
From 3 to 12 months	**50,000**	50,002	**50,000**	50,002
From 1 to 5 years	**-**	-	**-**	-
No maturity specified	**11,399,049**	4,121,647	**11,399,049**	4,121,647
	11,449,049	4,171,649	**11,449,049**	4,171,649

Note 8

ACCRUED RECEIVABLES

	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
Interest receivable	**3,149,983**	1,987,615	**3,149,983**	1,987,615
Securitisation receivables	**3,215,272**	2,385,635	**3,215,272**	2,385,634
Other	**961,108**	1,203,548	**815,371**	732,950
	7,326,363	5,576,798	**7,180,626**	5,106,199

Note 9

FINANCIAL ASSETS

	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
Financial assets held to maturity				
Bills of exchange and promissory notes	**31,545,902**	28,377,319	**31,545,902**	28,377,318
Certificates of deposit	**151,558,736**	98,510,559	**151,558,736**	98,510,559
Financial assets available for sale				
RMBS Investments	**19,137,580**	32,379,267	**19,137,580**	32,379,267
Financial assets at fair value through profit and loss				
Investments in Floating Rate Notes	**9,853,679**	11,091,573	**-**	-
Financial assets at amortised cost				
Notes - Securitisation program and other	**77,031,888**	79,079,019	**77,031,888**	79,079,019
	289,127,785	249,437,737	**279,274,106**	238,346,163
Maturity analysis				
Up to 3 months	**149,390,876**	79,472,982	**146,995,574**	79,472,982
From 3 to 12 months	**55,246,645**	80,294,162	**55,246,645**	79,794,162
From 1 to 5 years	**7,458,377**	10,591,574	**-**	-
Later than 5 years	**77,031,887**	79,079,019	**77,031,887**	79,079,019
	289,127,785	249,437,737	**279,274,106**	238,346,163

Note 10

LOANS AND ADVANCES

	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
Term loans	**1,712,604,346**	1,727,230,224	**1,712,604,346**	1,727,289,735
Loans to controlled entities	**-**	-	**2,145,228**	2,524,710
Continuing credit loans	**517,722,801**	552,247,618	**517,722,801**	552,247,618
Leases receivable	**3,975**	74,403	**-**	-
	2,230,331,122	2,279,552,245	**2,232,472,375**	2,282,062,063
Provision for impairment	**(883,492)**	(587,518)	**(879,641)**	(498,530)
Total loans	**2,229,447,630**	2,278,964,727	**2,231,592,734**	2,281,563,533
Provision for impairment				
Specific provision				
Opening balance	**(587,518)**	(413,795)	**(498,530)**	(322,733)
Bad and doubtful debts provided for during the year	**(295,974)**	(173,723)	**(381,111)**	(175,797)
Total provision for impairment	**(883,492)**	(587,518)	**(879,641)**	(498,530)
Charge to profit and loss for bad and doubtful debts comprises:				
Specific provision	**(295,974)**	(173,723)	**(381,111)**	(175,797)
Bad debts recognised directly	**(64,482)**	(45,930)	**(49,461)**	(28,338)
	(360,456)	(219,653)	**(430,572)**	(204,135)
Maturity analysis				
Up to 3 months	**3,392,811**	1,916,452	**3,388,716**	1,913,509
From 3 to 12 months	**13,270,260**	3,047,721	**13,231,057**	3,008,518
From 1 to 5 years	**21,634,486**	36,013,803	**21,602,109**	35,981,426
Later than 5 years	**2,191,150,073**	2,237,986,751	**2,193,370,852**	2,240,660,080
	2,229,447,630	2,278,964,727	**2,231,592,734**	2,281,563,533

The economic entity has entered into securitisation transactions on residential mortgage loans that do not qualify for derecognition. The special purpose entity established for the securitisation is considered to be controlled in accordance with Australian Accounting Standards & Australian Accounting Interpretations. The economic entity is entitled to any residual income of the securitisation program after all payments due to investors and costs of the program have been met, to this extent the economic entity retains credit and liquidity risk.

The impact on the consolidated and chief entity is an increase in liabilities - securitised loans - of $798.597 million (30 June 2011 - $971.803 million).

Concentration of risk

The loan portfolio of the society does not include any loan which represents 10% or more of capital.

Note 11

OTHER INVESTMENTS

	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
Unlisted shares - at Directors' valuation	**665,631**	636,506	**665,511**	636,386
Controlled entities - at cost	**-**	-	**20,421,164**	20,421,164
Investment in associate	**7,489,801**	7,471,143	**7,489,801**	7,471,143
Interest in joint venture - at cost	**-**	-	**-**	-
	8,155,432	8,107,649	**28,576,476**	28,528,693

Investment in controlled entities comprises:

Name	Country of incorporation	June 2012 %	June 2011 %	Contribution to consolidated operating profit after income tax 2012	2011	Investment carrying value 2012	2011
Chief entity							
Wide Bay Australia Ltd	Australia			**17,707,996**	19,279,510		
Controlled entities							
Mortgage Risk Management Pty Ltd	Australia	**100**	100	**505,612**	2,331,974	**20,420,000**	20,420,000
Wide Bay Australia Mini Lease Pty Ltd	Australia	**51**	51	**25,770**	(55,855)	**1,041**	1,041
MPBS Insurance Pty Ltd	Australia	**100**	100	**-**	-	**2**	2
MPBS Holdings Pty Ltd	Australia	**100**	100	**175,870**	244,407	**1**	1
F.I. Software Solutions Pty Ltd	Australia	**100**	100	**-**	-	**120**	120
				707,252	2,520,526	**20,421,164**	20,421,164
Investment in associate comprises:							
Financial Technology Securities Pty Ltd	Australia	**25**	25	**625,000**	875,000	**7,489,801**	7,471,143
				19,040,248	22,675,036	**27,910,965**	27,892,307

The carrying amounts of unlisted shares were reassessed by the Directors as at 30 June 2012 with the reassessments being based on the projections of the current market values of the shares.

Controlled entities

Mortgage Risk Management Pty Ltd ("MRM") is a wholly owned subsidiary of Wide Bay Australia Ltd and is a registered lenders' mortgage insurance provider. The company acts solely for the purpose of insuring the society's residential mortgages and has received APRA approval.

The operations of MRM are subject to and under the supervision of APRA in respect of compliance and capital requirements.

Note 11

MRM meets APRA's acceptable LMI test and all residential mortgage loans insured with the company qualify for a concessional risk-weight for capital adequacy purposes.

During the year the insurance for a significant portion of loans was transferred from MRM to QBE. MRM will continue to insure the remaining portfolio not transferred, with all new loans in excess of 80%LVR being insured with QBE going forward.

The society controls a 51% share in **Wide Bay Australia Mini Lease Pty Ltd**. This company provides leasing and rental finance for businesses to acquire plant and equipment. The Directors have resolved not to issue new leasing and rental contracts and to wind the business down as existing contracts are paid out.

MPBS Holdings Pty Ltd is a wholly owned subsidiary which holds the property at 73 Victoria Street Mackay.

MPBS Insurance Pty Ltd is a wholly owned subsidiary which is no longer actively trading.

F.I. Software Solutions Pty Ltd is a wholly owned subsidiary which is no longer actively trading.

Investment accounted for using the equity method

On 29 July 2005, Wide Bay Australia Ltd acquired a 25% interest in Financial Technology Securities Pty Ltd.

Financial Technology has operated since 1993 as financial planners using a plan that utilises investor equity for wealth creation, with Wide Bay Australia being one of their preferred lenders and Navigator their investment platform during that period. The company operates primarily in South East Queensland and New South Wales, with a large clientele developed over the years.

Financial Technology Securities Pty Ltd is not listed on any public exchange and therefore there is no published quotation price for the fair value of this investment. The reporting date of the associate is the same as Wide Bay Australia Ltd.

There were no impairment losses relating to the investment in the associate or other commitments relating to the associate.

The following table illustrates summarised information of the investment in Financial Technology Securities Pty Ltd:

	$ June 2012	$ June 2011
Share of associate's balance sheet:		
Current Assets	**949,251**	851,600
Non-current assets	**660,444**	651,880
Current Liabilities	**(490,466)**	(548,980)
Non-current liabilities	**(189,512)**	-
Net Assets	**929,717**	954,500
Share of associate's revenue and profit:		
Revenue	**2,913,547**	2,880,909
Profit before income tax	**843,169**	1,013,337
Adjustment of accrual	**26,884**	148,661
Income tax	**(245,053)**	(286,998)
Profit after income tax	**625,000**	875,000

We note that the above figures were based on the unaudited accounts of Financial Technology Securities Pty Ltd.

Note 12

PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED		CHIEF ENTITY	
	$ 2012	$ 2011	**$ 2012**	$ 2011
Freehold land and buildings				
At independent valuation - July 2012	**9,680,000**	12,655,000	**9,680,000**	12,655,000
Provision for depreciation	**-**	505,850	**-**	505,850
Land and buildings - 73 Victoria St Mackay At independent valuation - July 2012	**3,500,000**	3,870,000	**-**	-
Land and buildings - 73 Victoria St Mackay At cost	**-**	4,225	**-**	-
Provision for depreciation	**-**	141,166	**-**	-
	13,180,000	15,882,209	**9,680,000**	12,149,150
Movement in carrying amount				
Carrying amount at beginning of year	**15,882,209**	16,205,740	**12,149,150**	12,402,075
Additions	**-**	-	**-**	-
Revaluation decrement (net)	**2,378,678**	-	**2,216,225**	-
Depreciation	**323,531**	323,531	**252,925**	252,925
Carrying amount at end of year	**13,180,000**	15,882,209	**9,680,000**	12,149,150
Plant and equipment				
At cost	**26,012,559**	24,557,266	**26,012,559**	24,557,266
Provision for depreciation	**22,022,809**	20,667,404	**22,022,809**	20,667,404
	3,989,750	3,889,862	**3,989,750**	3,889,862
Movement in carrying amount				
Carrying amount at beginning of year	**3,889,862**	4,304,337	**3,889,862**	4,304,337
Additions	**1,492,625**	1,109,736	**1,492,625**	1,109,736
Depreciation	**1,392,737**	1,524,211	**1,392,737**	1,524,211
Carrying amount at end of year	**3,989,750**	3,889,862	**3,989,750**	3,889,862
	17,169,750	19,772,071	**13,669,750**	16,039,012

All land and buildings were revalued as at July 2012 by certified practising valuers Michael Everingham and Jim Webster of Propell National Valuers QLD .

The valuations were assessed to fair market values.

The society's policy is to revalue freehold land and buildings every three years.

Note 13

DEFERRED INCOME TAX ASSETS

	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
Deferred income tax assets are attributable to:				
Employee leave provisions	**869,400**	782,878	**869,400**	782,878
Other provisions	**265,048**	176,255	**263,892**	149,559
Property, plant and equipment	**647,179**	572,643	**638,307**	546,122
Takeover expenses	**-**	-	**-**	-
Unrealised losses on investments	**320,254**	451,361	**-**	-
MPBS project costs	**-**	114,605	**-**	114,605
Share issue costs	**97,346**	129,794	**97,346**	129,794
Other items	**69,662**	(15,785)	**58,191**	41,300
	2,268,889	2,211,751	**1,927,136**	1,764,258

In respect of each temporary difference the adjustment was charged to income, except for share issue costs which were accredited to equity.

Note 14

OTHER ASSETS

	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
Prepayments	**13,550,832**	9,927,638	**13,013,978**	9,532,732
	13,550,832	9,927,638	**13,013,978**	9,532,732

Note 15

GOODWILL ON CONSOLIDATION

Pursuant to a bidder's statement lodged with the Australian Securities & Investments Commission on 15 November 2007, the company issued an off-market takeover offer for 100% of the ordinary shares in Mackay Permanent Building Society Ltd (MPBS).

On 11 January 2008 the company announced the fulfilment of conditions pertaining to the off-market takeover offer set out in the bidder's statement and gave notice that the offer was unconditional effective 10 January 2008.

In accordance with APRA's approval for the transfer of business the financial and accounting records of the entities were merged on 01 June 2008.

The financial accounting for this business combination was prepared in accordance with Australian Accounting Standards and as set out in note 1g), and recognises the acquisition date as 10 January 2008.

	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
Goodwill	**42,057,110**	42,057,110	**43,316,012**	43,316,012
	42,057,110	42,057,110	**43,316,012**	43,316,012

Note 15

Impairment testing

The cash-generating unit selected for impairment testing of goodwill was the Wide Bay Australia Ltd chief entity, as it is impractical to identify a separate MPBS cash generating unit within the chief and consolidated entity.

The goodwill disclosed in the Statement of Financial Position at 30 June 2012 was supported by the impairment testing and no impairment adjustment was required.

Impairment testing of goodwill was carried out by comparing the net present value of cash flows from the cash-generating unit to the carrying value of the goodwill in the balance sheet. The cash flows were based on projections of future earnings before taxation, depreciation and amortisation, plus expected receipts from the sale of capital assets.

The cash flows have been projected over a period of nine years as the MPBS entity has been acquired for the long term and there is no currently foreseeable intention to dispose of that business. The terminal value of the business beyond the year nine has been determined using a constant growth perpetuating formula.

The key assumptions used in carrying out the impairment testing were as follows:

i) the trading results for the financial year ending 30 June 2012 represents the cash-generating potential of the consolidated entity;

ii) the estimated growth in the cash-generating unit cash flows over the testing period was 3.0% which compares to budgeted growth for the consolidated group of 4.0%;

iii) the net present value discount rate used in the impairment testing was 10.39% which represents the Weighted Average Cost of Equity to the consolidated group at 30 June 2012.

The estimated growth of 3% is considered to be a conservative parameter as the growth in the loan book of the consolidated entity has averaged 4.42% over the previous 5 years.

Note 16

DEPOSITS AND SHORT TERM BORROWINGS

	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
Call deposits	**424,328,957**	392,557,682	**427,172,088**	398,026,626
Term deposits	**1,145,325,756**	1,061,393,237	**1,145,325,756**	1,061,393,236
Negotiable certificates of deposit	**55,975,134**	-	**55,975,134**	-
	1,625,629,847	1,453,950,919	**1,628,472,978**	1,459,419,862
Maturity analysis				
On call	**480,468,854**	444,452,900	**483,311,985**	449,921,843
Up to 3 months	**794,133,219**	591,970,492	**794,133,219**	591,970,492
From 3 to 12 months	**255,931,533**	339,799,950	**255,931,533**	339,799,950
From 1 to 5 years	**95,096,241**	77,677,577	**95,096,241**	77,677,577
Later than 5 years	**-**	50,000	**-**	50,000
	1,625,629,847	1,453,950,919	**1,628,472,978**	1,459,419,862

The society's deposit portfolio does not include any deposit which represents 10% or more of total liabilities.

Note 17

PAYABLES AND OTHER LIABILITIES

	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
Trade creditors	**4,073,279**	3,291,299	**4,073,279**	3,291,299
Accrued interest payable	**22,872,501**	21,631,626	**22,872,501**	21,631,626
Other creditors	**8,491,250**	9,448,613	**7,489,817**	6,614,980
	35,437,030	34,371,538	**34,435,597**	31,537,905
Maturity analysis				
Up to 3 months	**25,597,180**	24,868,635	**24,595,747**	22,035,000
From 3 to 12 months	**8,068,593**	7,947,674	**8,068,593**	7,947,676
From 1 to 5 years	**1,771,257**	1,554,229	**1,771,257**	1,554,229
Later than 5 years	**-**	1,000	**-**	1,000
	35,437,030	34,371,538	**34,435,030**	31,537,905

Note 18

DEFERRED INCOME TAX LIABILITIES

	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
Provision for taxation	**978,176**	1,527,456	**978,176**	1,527,456
Deferred income tax liabilities are attributable to:				
Asset revaluation reserve	**1,958,044**	2,622,912	**1,464,977**	2,129,844
Prepayments	**352,587**	813,997	**352,587**	813,997
Equity accounting revenue	**360,491**	354,894	**360,491**	354,894
Accrued interest	**68,070**	102,106	**68,070**	102,106
MPBS acquisition adjustments	**147,510**	184,387	**147,510**	184,387
Visa debit card costs	**51,636**	64,545	**51,636**	64,545
Special reserve	**54,611**	71,448	**54,611**	71,448
	2,992,949	4,214,289	**2,499,882**	3,721,221
	3,971,125	5,741,745	**3,478,058**	5,248,677

In respect of each temporary difference the adjustment was charged to income, except for the revaluations of the RMBS investments, which were charged to the “available for sale” reserve in equity, and the revaluations of land and buildings which were charged to the asset revaluation reserve in equity.

Note 19

PROVISIONS

	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
Employee entitlements				
Balance at beginning of year	**2,609,593**	2,379,000	**2,609,593**	2,379,000
Annual leave and long service leave provided for during the year	**288,407**	230,593	**288,407**	230,593
Balance at end of year	**2,898,000**	2,609,593	**2,898,000**	2,609,593
Maturity analysis				
Current provision	**2,538,483**	2,213,698	**2,538,483**	2,213,698
Non-current provision	**359,517**	395,895	**359,517**	395,895
	2,898,000	2,609,593	**2,898,000**	2,609,593
Unearned direct premiums and outstanding claims				
Balance at beginning of year	**7,624,498**	7,773,888	**-**	-
Transfers to the provision during the year	**914,678**	3,175,426	**-**	-
Payments from the provision during the year	**5,203,339**	3,324,816	**-**	-
Balance at end of year	**3,335,837**	7,624,498	**-**	-

Premium revenues are earned over 10 years in accordance with actuarial advice based on historical claim patterns. The unearned portion is recognised as unearned premium liability.

The outstanding claims liability is based on independent actuarial advice and estimates of claims incurred but not settled at balance date. The estimation is based on statistical analyses of historical experience.

	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
Other provisions	**102,968**	95,762	**102,968**	95,762
Total provisions	**6,336,805**	10,329,853	**3,000,968**	2,705,355

Note 20

SUBORDINATED CAPITAL NOTES

	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
Inscribed debenture stock	**28,000,000**	38,000,000	**28,000,000**	38,000,000
Maturity analysis				
Up to 3 months	**28,000,000**	38,000,000	**28,000,000**	38,000,000

Note 21

CONTRIBUTED EQUITY

	SHARES JUNE 2012 No.	SHARES JUNE 2012 $	SHARES JUNE 2011 No.	SHARES JUNE 2011 $
Fully paid ordinary shares				
All ordinary shares have equal voting, dividend and capital repayment rights.				
Balance at beginning of year	**35,348,920**	**156,383,983**	32,001,199	124,647,825
Issued during the year				
Staff share plan	**120,510**	**829,109**	108,996	1,003,853
Dividend reinvestment plan	**669,897**	**4,597,322**	681,375	6,381,297
Share placement	**-**	**-**	1,035,000	10,008,450
Share purchase plan	**-**	**-**	1,522,350	14,721,125
Share issue costs	**-**	**-**	-	(540,809)
Deferred tax asset adjustment on share issue costs	**-**	**-**	-	162,242
Balance at end of year	**36,139,327**	**161,810,414**	35,348,920	156,383,983

Effective 01 July 1998, the Company Law Review Act abolished the concept of par value shares and the concept of authorised capital. Accordingly, the company does not have authorised capital or par value in respect of its issued shares.

Staff Share Plan

09 December 2011 - 120,510 ordinary shares were issued.

Shares issued pursuant to the society's staff share plan were at a price of 90% of the weighted average price of the society's shares traded on the Australian Securities Exchange for the 10 days prior to the issue of the invitation to subscribe for the shares.

The members of the society approved a staff share plan in 1992 enabling the staff to participate to a maximum of 10% of the shares of the society. The share plan is available to all employees under the terms and conditions as decided from time to time by the Directors, but in particular, limits the maximum loan to each participating employee to 40% of their gross annual income. The plan requires employees to provide a deposit of 10% with the balance able to be repaid over a period of 5 years at no interest.

	CONSOLIDATED June 2012	CONSOLIDATED June 2011	CHIEF ENTITY June 2012	CHIEF ENTITY June 2011
The total number of shares issued to employees since the inception of the staff share plan was	**2,464,455**	2,343,945	**2,464,455**	2,343,945
The total number of shares issued to employees during the financial year was	**120,510**	108,996	**120,510**	108,996
	$	$	**$**	$
The total market value at date of issue, 09 December 2011 (17 December 2010) was	**897,800**	1,179,337	**897,800**	1,179,337
The total amount paid or payable for the shares at that date was	**829,109**	1,003,853	**829,109**	1,003,853

Note 21

Dividend Reinvestment Plan (DRP)

04 October 2011 - 375,449 ordinary shares were issued.
30 March 2012 - 294,448 ordinary shares were issued.

Shares issued under the plan rank equally in every respect with existing fully paid permanent ordinary shares and participate in all cash dividends declared after the date of issue.

The shares issued under the DRP on 04 October 2011 and 30 March 2012 were issued at a discount of 5% on the weighted sale price of the company's shares sold during the five trading days immediately following the Record Date.

Share Placement

08 October 2010 - 1,035,000 ordinary shares were placed.

The company issued shares under a share placement at an issue price of $9.67 per share to sophisticated, experienced and professional investors who subscribed for shares under the placement.

Share Purchase Plan

27 October 2010 - 1,522,350 ordinary shares were issued.

The company issued shares under a share purchase plan to strengthen the company's balance sheet by paying down debt and for funding of ongoing business activities. The shares were issued at an issue price of $9.67 which represented a 7.5% discount to the volume weighted average sale price of shares sold on the ASX during the pricing period.

Shares issued under the Share Placement and Share Purchase Plan rank equally in every respect with existing fully paid ordinary shares and participate in all cash dividends declared after the date of issue.

Note 22

RESERVES

	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
Movements in reserves				
Available for sale reserve				
Balance at beginning of year	**166,714**	-	**166,714**	-
Increase due to revaluation of RMBS investments to mark-to-market	**(56,127)**	238,162	**(56,127)**	238,162
Deferred tax liability adjustment on revaluation of RMBS investments	**16,838**	(71,448)	**16,838**	(71,448)
Balance at end of year	**127,425**	166,714	**127,425**	166,714

The balance of this reserve represents the excess of the mark-to-market valuation over the original cost of the RMBS investments.

	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
Asset revaluation reserve				
Balance at beginning of year	**4,969,636**	4,969,636	**4,969,636**	4,969,636
Increase/(decrease) due to revaluation increment on land and buildings	**(2,216,225)**	-	**(2,216,225)**	-
Deferred tax liability adjustment on revaluation increment on land and buildings	**664,868**	-	**664,868**	-
Decrease due to transfer to retained profits of revaluation of assets since sold	**-**	-	**-**	-
Balance at end of year	**3,418,279**	4,969,636	**3,418,279**	4,969,636

The balance of this reserve represents the excess of the independent valuation over the original cost of the land and buildings.

Note 22

	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
Statutory reserve - Building Societies Fund Act 1993				
Balance at end of year	**2,676,071**	2,676,071	**2,676,071**	2,676,071

This is a statutory reserve created on a distribution from the Queensland Building Society Fund.

General reserve				
Balance at end of year	**5,833,939**	5,833,939	**5,833,939**	5,833,939

A special reserve was established upon the society issuing fixed share capital in 1992. The special reserve represented accumulated members profits at that date and was transferred to the general reserve over a period of 10 years being finalised in 2001/2002.

Doubtful debts reserve				
Balance at end of year	**2,387,810**	2,387,810	**2,387,810**	2,387,810

Under APRA Harmonised Standards the society is required to establish a general reserve for doubtful debts. The amount is generally up to 0.5% of Risk Weighted Assets.

Total reserves	**14,443,524**	16,034,170	**14,443,524**	16,034,170

Note 23

OUTSIDE EQUITY INTEREST

Reconciliation of outside equity interest in controlled entities:

Opening balance	**(524,202)**	(470,537)
Share of operating (profit)/loss	**24,759**	(53,665)
Closing balance	**(499,443)**	(524,202)

Note 24

CASH FLOW STATEMENT

Reconciliation of profit from ordinary activities after tax to the net cash flows from operations:

	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
Profit after tax from continuing operations	**19,065,008**	22,621,371	**18,932,996**	22,054,510
Depreciation and amortisation	**1,716,267**	1,847,742	**1,645,661**	1,777,136
Bad debts expense	**360,457**	219,653	**430,572**	204,135
(Profit)/Loss on disposal of non-current assets	**(2,880)**	(1,000)	**(2,880)**	(1,000)
(Increase)/Decrease in Assets				
Accrued interest on investments	**(40,078)**	109,795	**(40,078)**	109,795
Prepayments	**(3,623,194)**	(1,080,975)	**(3,481,246)**	(1,080,975)
Inventories	**2,715**	(28,623)	**2,715**	(28,623)
Sundry debtors	**(2,200,901)**	(3,043,075)	**6,070,247**	3,879,644
Deferred tax asset	**(57,138)**	782,847	**(162,878)**	(274,418)
Increase/(Decrease) in Liabilities				
Increase in creditors and accruals	**(2,611,542)**	6,250,036	**(5,113,614)**	80,319
Increase in deferred tax payable	**(1,221,340)**	372,000	**(1,221,339)**	372,000
Increase in income tax payable	**(1,225,439)**	(2,267,354)	**(1,268,629)**	(1,296,996)
Increase in employee entitlement provisions	**288,407**	415,185	**288,407**	415,185
Net cash flows from operating activities	**10,450,342**	26,197,602	**16,079,934**	26,210,714

Cash flows arising from the following activities are presented on a net basis:

- Deposits to and withdrawals from customer deposit accounts.
- Advances and repayments on loans, advances and other receivables.
- Sales and purchases of investment securities.
- Insurance and reinsurance premiums.
- (Profit)/Loss on disposal of fixed assets.

Note 25

EXPENDITURE COMMITMENTS

	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
Capital expenditure commitment				
Capital expenditure contracted for within one year	**266,738**	75,902	**266,738**	75,902
Lease expenditure commitments				
Non cancellable operating leases				
Up to 1 year	**2,077,598**	1,910,165	**2,077,598**	1,910,165
From 1 to 2 years	**1,624,490**	1,262,849	**1,624,490**	1,262,849
From 2 to 5 years	**1,974,155**	1,466,785	**1,974,155**	1,466,785
Total lease expenditure	**5,676,243**	4,639,799	**5,676,243**	4,639,799

Note 26

EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS

Employee entitlements				
The aggregate employment entitlement liability is comprised of:				
Provisions - (note 19)	**2,898,000**	2,609,593	**2,898,000**	2,609,593

Note 27

CONTINGENT LIABILITIES AND CREDIT COMMITMENTS

	CONSOLIDATED		CHIEF ENTITY	
	$ 2012	$ 2011	**$ 2012**	$ 2011
Approved but undrawn loans	**54,623,942**	44,395,641	**54,623,942**	44,395,641
Approved but undrawn credit limits	**122,497,979**	120,542,447	**122,497,979**	120,542,447
	177,121,921	164,938,088	**177,121,921**	164,938,088

Note 28

EARNINGS PER SHARE

	$ 2012	$ 2011
Basic earnings per share (cents per share)	**53.23**	66.36
Diluted earnings per share (cents per share)	**53.23**	66.36

Information relating to the calculation of the earnings per share is as follows:	BASIC		DILUTED	
	$ 2012	$ 2011	**$ 2012**	$ 2011
Calculation of numerator				
Net profit attributable to shareholders	**19,040,249**	22,675,036	**19,040,249**	22,675,036
Less dividends paid on preference shares	**-**	-	**-**	-
Numerator	**19,040,249**	22,675,036	**19,040,249**	22,675,036
Weighted average number of shares				
Ordinary shares	**35,769,234**	34,168,810	**35,769,234**	34,168,810
Potential ordinary shares	**-**	-	**-**	-
Total weighted average ordinary shares	**35,769,234**	34,168,810	**35,769,234**	34,168,810

Note 29

KEY MANAGEMENT PERSONNEL AND RELATED PARTY DISCLOSURES

a) Details of key management personnel

The following were key management personnel for the entire reporting period:

i) Directors

JS Humphrey	Chairman - Non-executive Director
RE Hancock	Managing Director
FM McLeod	Executive Director and Chief Operating Officer
JF Pressler	Director - Non-executive
PJ Sawyer	Director - Non-executive
B Dangerfield	Director - Non-executive (appointed 22 November 2011)

Note 29

ii) Executives

WR Schafer	Chief Financial Officer and Company Secretary
SV Butler	Loans Manager
DA Hancock	Manager Structured Finance, Products and Interstate Operations
AR Ashton	Internal Auditor
SM Caville	Chief Information Officer

Each of the key management personnel, relatives of key management personnel and related business entities which hold share capital and/or deposits with the society do so on the same conditions as those applying to all other members of the society.

b) Key management personnel compensation

	CONSOLIDATED		CHIEF ENTITY	
	$ 2012	$ 2011	**$ 2012**	$ 2011
Remuneration for the year ended 30 June 2012				
Short term benefits				
Cash salary and fees	**2,629,950**	2,675,226	**2,629,950**	2,675,226
Cash bonus	**-**	-	**-**	-
Non-monetary	**29,958**	69,131	**29,958**	69,131
Post employment benefits				
Superannuation	**266,716**	314,810	**267,716**	314,810
Retirement benefits	**-**	94,313	**-**	94,313
Termination benefits	**-**	-	**-**	-
Share based payments	**-**	-	**-**	-
Other long term benefits	**-**	-	**-**	-
	2,926,624	3,153,480	**2,927,624**	3,153,480

c) Loans to key management personnel

The following table outlines the aggregate of loans to key management personnel. Details are provided on an individual basis for each of the key management personnel whose indebtedness exceeded $100,000 at any time during this reporting period.

Loans have been made in accordance with the normal terms and conditions offered by the society and charged at the lowest available fixed interest rate available to the general public at the beginning of the Fringe Benefits Tax year. Therefore this interest rate would approximate an arms' length interest rate offered by the society.

Loans are also made in accordance with the Staff Share Plan approved by shareholders in 1992. The loans are repayable over 5 years at 0% interest, with the loans being secured by a lien over the relevant shares. Such loans are only available to employees of the society and there is no applicable arm's length interest to take into account in this note.

Note 29

	$ Balance 30 June 2011	$ Interest Charged	$ Write-off	**$ Balance 30 June 2012**	Number in Group 30 June 2012
Loans for the year ended 30 June 2012					
Directors	(2,044,153)	31,967	-	**(1,554,806)**	2
Executives	(2,101,236)	141,225	-	**(1,790,411)**	5
Total: Key management personnel	(4,145,389)	173,192	-	**(3,345,217)**	7

	$ Balance 30 June 2010	$ Interest Charged	$ Write-off	**$ Balance 30 June 2011**	Number in Group 30 June 2011
Loans for the year ended 30 June 2011					
Directors	(2,004,004)	55,691	-	**(2,044,153)**	3
Executives	(2,524,581)	141,790	-	**(2,101,236)**	6
Total: Key management personnel	(4,528,585)	197,481	-	**(4,145,389)**	9

	$ Balance 30 June 2011	$ Interest* Charged	$ Write-off	**$ Balance 30 June 2012**	$ Highest in period
Individuals with loans above $100,000 in reporting period^					
Directors					
RE Hancock	(1,261,014)	18,112	-	**(1,276,041)**	(1,360,176)
FM McLeod	(291,474)	13,855	-	**(278,765)**	(308,595)
Executives					
WR Schafer	(516,377)	31,623	-	**(529,592)**	(541,121)
DA Hancock	(607,058)	40,070	-	**(635,616)**	(649,232)
SV Butler	(542,875)	37,564	-	**(530,144)**	(542,876)

^Does not include AR Ashton or SM Caville as their loans were less than $100,000.

* Actual interest charged is affected by the use of the society's offset account.

A loan and a line of credit facility is held by Edals Investments Pty Ltd. RE Hancock and DA Hancock are two of five equal shareholders in Edals Investments Pty Ltd, along with three other direct family members. The balance of the loan together with the drawn amount on the line of credit facility at 30 June 2012 was $3,980,393.20 (2011 - $3,547,712.24).

Note 29

d) Equity holdings and transactions

The following table is in respect of ordinary shares held directly, indirectly or beneficially by key management personnel.

	Balance 30 June 2011	Received as Remuneration	Options Exercised	Net Change Other	**Balance 30 June 2012**
Directors					
JS Humphrey	31,551	-	-	-	**31,551**
RE Hancock	2,093,156	-	-	27,715	**2,120,871**
FM McLeod	128,321	-	-	8,619	**136,940**
JF Pressler	-	-	-	-	**-**
PJ Sawyer	603,512	-	-	-	**603,512**
B Dangerfield	-	-	-	-	**-**
Executives					
WR Schafer	5,750	-	-	7,000	**12,750**
DA Hancock	76,516	-	-	(8,543)	**67,973**
SV Butler	5,250	-	-	-	**5,250**
AR Ashton	20,100	-	-	5,368	**25,468**
SM Caville	21,474	-	-	3,959	**25,433**
Total	2,985,630	-	-	44,118	**3,029,748**

While Mr J F Pressler does not hold shares individually or in a related body corporate he is a director of Hestearn Pty Ltd, which holds 308,543 shares. Mr Pressler does not have a controlling interest in Hestearn Pty Ltd.

There were no shares granted during the reporting period as compensation.

e) Other key management personnel transactions

The following persons and entities related to key management personnel have provided services to the society. In each case the transactions have occurred within a normal supplier - customer relationship on terms and conditions no more favourable than those available to other suppliers.

	CONSOLIDATED		CHIEF ENTITY	
	$ 2012	$ 2011	**$ 2012**	$ 2011
King & Wood Mallesons (previously Mallesons Stephen Jaques), a related party due to having a common director being John S Humphrey, received fees for legal services and corporate advice provided in connection with: 1: Corporate Restructure - $7,464 2: Securitisation - $193,717 3: Business Combinations - $35,757	**236,938**	42,082	**236,938**	42,082

Note 30

REMUNERATION OF AUDITORS

Amounts received or due and receivable by the auditors of the chief entity, Bentleys Brisbane Partnership, are as follows:

	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
Audit or review of the financial statements of the entity and any other entity in the economic entity	**133,414**	148,207	**133,414**	148,207
Tax returns (including subsidiaries)	**21,916**	17,741	**21,916**	17,741
Tax advice	**21,532**	8,219	**21,532**	8,219
Other services	**4,092**	23,230	**4,092**	23,230
Accrual adjustment	**23,047**	6,603	**23,047**	6,603
	204,001	204,000	**204,001**	204,000

Amounts received or due and receivable by the auditors of Mortgage Risk Management Pty Ltd, KPMG, are as follows:

	CONSOLIDATED $ 2012	CONSOLIDATED $ 2011	CHIEF ENTITY $ 2012	CHIEF ENTITY $ 2011
Audit or review of the financial statements of the entity	**26,000**	25,500	**-**	-
Other regulatory audit services (APRA Return)	**11,000**	10,500	**-**	-
	37,000	36,000	**-**	-
KPMG related practices:				
Other regulatory audit services	**11,920**	11,600	**-**	-
	11,920	11,600	**-**	-
	252,921	251,600	**204,001**	204,000

Note 31

EVENTS SUBSEQUENT TO BALANCE DATE

The financial statements were authorised for issue by the Directors on the date the Directors' Declaration was signed.

Note 32

BUSINESS AND GEOGRAPHICAL SEGMENT INFORMATION

The society operates predominantly in one industry. The principal activities of the society are confined to the raising of funds and the provision of finance for housing. The society operates principally within the States of Queensland, New South Wales, Victoria and South Australia.

Note 33

CONCENTRATION OF ASSETS AND LIABILITIES AND OFF BALANCE SHEET ITEMS

The Directors are satisfied that there is no undue concentration of risk by way of geographical area, customer group or industry group.

Note 34

PRIOR PERIOD ADJUSTMENT

The society has adopted a policy of changing the repayment due date of customer loans from a common due date to the anniversary date of the loan. During this process an adjustment was required to be made to the cumulative interest accrual relating to prior periods. As the amount of the adjustment was immaterial, the balance sheet for the prior year has not been restated, however the adjustment has been shown as a line item in the Statement of Changes in Equity.

Note 35

FINANCIAL INSTRUMENTS

a) Capital Risk Management

The Australian Prudential Regulation Authority's ("APRA's") Prudential Standard APS110 aims to ensure that authorised deposit-taking institutions ("ADI's") maintain adequate capital, on both an individual and group basis, to act as a buffer against the risks associated with the group's activities. APRA requires capital to be allocated against credit, market and operational risk, and the group has adopted the 'standard model' approach to measure the capital adequacy ratio.

The group's management prepares a 3 year capital plan and monitors actual risk-based capital ratios on a monthly basis to ensure the capital ratio complies with APRA's guidelines and the Board's targets. The Board's target is for the capital adequacy ratio to be maintained above 13%. During the 2012 and 2011 financial years the capital adequacy ratios of both the consolidated and chief entities were maintained above the target ratio.

The capital adequacy calculations at 30 June 2012 and 30 June 2011 have been prepared in accordance with the revised prudential standards incorporating the Basel II principles.

APRA Prudential Standards and Guidance Notes for ADI's provide guidelines for the calculation of capital and specific parameters relating to Tier 1 and Tier 2 capital and deductions from capital, including a requirement for Tier 1 capital to comprise at least 50% of total capital. Tier 1 capital comprises the highest quality components of capital and includes ordinary share capital, reserves and retained earnings less specific deductions. Tier 2 capital comprises other capital components including general reserve for credit losses, asset revaluation reserve and term subordinated debt less specific deductions.

Tier 2 capital is divided between "Upper Tier 2 capital" and "Lower Tier 2 capital" with Upper Tier 2 capital comprising components of capital that are more permanent in nature, with Lower Tier 2 capital comprising instruments that are not permanent. Lower Tier 2 capital net of specific deductions cannot exceed 50% of net Tier 1 capital.

The total risk weighted assets calculations are based on:

i) credit risk arising from on-balance sheet and off-balance sheet exposures;
ii) market risk arising from trading activities;
iii) operational risk associated with banking activities; and
iv) securitisation risks.

Note 35

Details of the capital adequacy ratio on a chief entity and consolidated basis are set out below:

	CONSOLIDATED		CHIEF ENTITY	
	$ June 2012	$ June 2011	$ June 2012	$ June 2011
Total risk weighted assets	**1,002,720,102**	974,294,081	**1,000,290,779**	972,360,789
Capital base	**134,338,752**	142,373,153	**133,770,593**	142,237,036
Risk-based capital ratio	**13.40%**	14.61%	**13.37%**	14.63%

b) Interest Rate Risk Management

The Asset and Liability Management Committee ("ALMC") is responsible for the analysis and management of interest rate risk inherent in the balance sheet through balance sheet and financial derivative alternatives. These risks are quantified in the Rate Sensitive Asset and Liability Gap Analysis Report (the "Gap Analysis Report"). ALMC's function and role are:

i) to review and analyse the interest rate exposures (as set out in the Gap Analysis Report) in the context of current wholesale interest setting;

ii) to compare the interest rate exposures set out in the Gap Analysis Report against the limits prescribed under the Interest Rate Risk Management Policy; and

iii) to ascertain whether the risks manifested in the Gap Analysis Report are appropriate given the committee's view on interest rates.

At the reporting date, if interest rates had been 1.0% higher or lower and all other variables were held constant, the group's net profit would decrease by $853,665 or increase by $853,665 (2011 - decrease by $1,078,437 or increase by $1,078,437). This is mainly due to the society's exposures to fixed and variable rate loans, and deposit and securitisation liabilities.

The sensitivity analysis was derived from the Gap Analysis Report which calculates risk associated with movements in interest rates through the input of parameters for all financial assets and liabilities. The parameters used were consistent with those adopted for the prior period.

c) Liquidity Risk Management

The Board of Directors have built an appropriate liquidity risk management framework for the management of the group's short, medium and long-term funding and liquidity management requirements. The group manages liquidity risk by maintaining adequate reserves, credit facilities and reserve borrowing facilities, and continually monitoring forecast and actual cash flows.

Liquidity is monitored by management and a projection of near future liquidity (30 days) is calculated daily. This information is used by management to manage liquidity.

An additional reserve equivalent to a minimum of 5% of the society's liability base assessed on a quarterly basis is set aside and isolated as additional liquidity available in a crisis situation.

d) Credit Risk Management

Under the direction of the Board of Directors, management has developed risk management policies and procedures to establish and monitor the credit risk of the society. The risk management procedures define the credit principles, lending policies and the decision making processes which control the credit risk of the society.

Credit risk is minimised by the availability and application of insurances including lender's mortgage insurance, title insurance, property insurance, mortgage protection insurance and consumer credit insurance. Credit risk in the loan portfolio is managed by protecting all loans in excess of 80% LVR with either one of the recognised mortgage insurers or through the society's wholly owned subsidiary Mortgage Risk Management Pty Ltd, an approved lenders' mortgage insurer, and by securing the loans by first mortgages of residential property.

Note 35

The society has a diversified branch network consisting of 42 branches and agencies across Queensland, branches in Sydney and Melbourne and a lending centre in Adelaide. As a result the geographic risk is widely disbursed. All regional loan staff and panel valuers are locally based ensuring an in depth knowledge of the local economy and developments in the real estate market.

The Board of Directors and management receive reports on a monthly basis to monitor and supervise the past due loans in the portfolio and ensure credit procedures are adhered to on a timely and accurate basis.

The economic entity's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet. The maximum credit risk exposure does not take into account the value of any security held or the value of any mortgage or other insurance to cover the risk exposure.

The past due loans and advances for the group comprise:

	CONSOLIDATED		CHIEF ENTITY	
	$ June 2012	$ June 2011	$ June 2012	$ June 2011
Less than 30 days	**64,257,695**	60,322,697	**64,257,681**	60,320,496
30 days and less than 60 days	**25,713,806**	30,861,567	**25,713,768**	30,861,567
60 days and less than 90 days	**6,476,130**	18,773,820	**6,476,130**	18,773,820
90 days and less than 182 days	**8,907,354**	8,982,116	**8,907,113**	8,977,090
182 days and less than 273 days	**2,144,295**	1,960,317	**2,144,295**	1,957,904
273 days and less than 365 days	**1,903,314**	2,450,204	**1,903,094**	2,450,204
365 days and over	**1,235,940**	1,258,602	**1,232,361**	1,173,073
	110,638,534	124,609,323	**110,634,442**	124,514,154

Concentration of credit risk

The society minimises concentrations of credit risk in relation to loans receivable by undertaking transactions with a large number of customers principally within the states of Queensland, New South Wales, Victoria and South Australia.

The concentration of the loans and advances throughout Australia are as follows:

	% 2012	% 2011
Queensland	**80.9**	79.8
New South Wales	**8.5**	9.1
Victoria	**8.6**	9.2
South Australia	**1.2**	1.2
Western Australia	**0.8**	0.6
Tasmania	**-**	0.1
Northern Territory	**-**	-
	100.0	100.0

Note 35

Terms, conditions and accounting policies

The economic entity's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date, are as follows:

Recognised Financial Instruments	Notes to Accounts	Accounting Policies	Terms and Conditions
Financial assets			
Short term deposits	6 7	Short term deposits are stated at amortised cost. Interest is recognised when earned.	Short term deposits have an effective interest rate of 4.57% (2011 - 6.03%)
Accrued Receivables	8	Amounts receivable are recorded at their recoverable amount.	
Bills of exchange and promissory notes	9	Bills of exchange and promissory notes are stated at amortised cost.	Bills of exchange and promissory notes have an effective interest rate of 4.53% (2011 - 5.65%)
Certificates of deposit	9	Certificates of deposit are carried at amortised cost. Interest revenue is recognised when earned.	Certificates of deposit have an effective interest rate of 5.07% (2011 - 5.42%)
Notes	9	Notes are carried at amortised cost.	These notes are an overcover required as part of the securitisation of loans. They have an effective interest rate of 6.13% (2011 - 6.40%)
RMBS investments	9	RMBS investments are recorded at fair value through the Available for Sale Reserve.	
Mortgage Risk Management Pty Ltd Investments	9	Investments held by Mortgage Risk Management Pty Ltd are recorded at fair value through profit and loss.	
Loans and advances	10	Loan interest is calculated on the closing daily outstanding balance and is charged in arrears to the customer's account on a monthly basis. Loans and advances are recorded at amortised cost.	New mortgage loans approved with an LVR in excess of 80% will be insured under an arrangement with QBE, and are secured by first mortgage over residential property. Loans made for the purchase of staff shares are secured by the shares themselves. The loan to subsidiary is secured by a fixed and floating charge over all property, assets and rights of the subsidiary. Certain of the society's loans have been securitised and continue to be managed by the society. Further details are disclosed in note 10. The securitisation notes have a maturity period of greater than 30 years. The securitisation notes are eligible for repayment once the balance of the trust falls below 10% of the invested amount. Interest paid to the note holders is repriced on a monthly basis.
Financial liabilities			
Deposits	16	Deposits are recorded at the principal amount. Interest is brought to account on an accrual basis.	Details of maturity of the deposits are set out in note 16. Interest is calculated on the daily balance.
Payables and other liabilities	17	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the economic entity.	Trade creditors are normally settled on 30 day terms.
Dividends payable	5	Dividends payable are recognised when declared by the company.	Details of the final dividend declared by the company for the financial year ended 30 June 2012 are disclosed in note 5.
Subordinated capital notes	20	The subordinated capital notes are inscribed debenture stock.	These notes are issued for an initial period of 5 years and thereafter can be redeemed on an annual basis until the final redemption date of 10 years.

Note 35

Derivatives

Each of the securitisation trusts has an Interest Rate Swap in place to hedge against fixed rate loans held in the trust.
The mark-to-market values at the end of the year were as follows:

	$ 2012	$ 2011
WB Trust 2010-1	**325,300**	348,000
WB Trust No.3	**592,000**	147,000
WB Trust No. 4	**46,795**	30,054
WB Trust 2009-1	**484,600**	117,000
WB Trust 2008-1	**629,100**	170,000
WB Trust 2006-1	**181,300**	107,000
WB Trust 2005-1	**115,100**	82,000
WB Trust 2004-1	**-**	32,000

Interest rate risk

The economic entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instruments	Floating interest rate		Fixed interest rate maturing in 1 year or less		Fixed interest rate maturing from 1 to 5 years		Non interest bearing		Total carrying amount per balance sheet		Weighted average effective interest rate	
	$ 2012	$ 2011	$ 2012	$ 2011	$ 2012	$ 2011	$ 2012	$ 2011	$ 2012	$ 2011	% 2012	% 2011
Financial assets												
Cash and cash equivalents	**73,007,130**	84,188,313	**-**	-	**-**	-	**3,034,973**	4,477,583	**76,042,103**	88,665,896	**4.48**	6.06
Due from other financial institutions	**11,304,049**	4,026,647	**50,000**	50,002	**-**	-	**95,000**	95,000	**11,449,049**	4,171,649	**5.67**	5.99
Accrued receivables	**-**	-	**-**	-	**-**	-	**7,257,009**	5,504,730	**7,257,009**	5,504,730	**-**	-
Financial assets	**18,226,284**	23,450,469	**202,242,219**	159,267,144	**68,659,282**	66,720,124	**-**	-	**289,127,785**	249,437,737	**5.22**	5.61
Loans and advances	**1,910,499,314**	2,009,174,848	**168,366,860**	124,871,930	**151,464,948**	145,505,467	**-**	-	**2,230,331,122**	2,279,552,245	**7.39**	7.51
Other investments	**-**	-	**-**	-	**-**	-	**6,936,211**	6,888,428	**6,936,211**	6,888,428	**-**	-
Other assets	**-**	-	**-**	-	**-**	-	**13,014,899**	9,532,066	**13,014,899**	9,532,066	**-**	-
Total financial assets	**2,013,036,777**	2,120,840,277	**370,659,079**	284,189,076	**220,124,230**	212,225,591	**30,338,092**	26,497,807	**2,634,158,178**	2,643,752,751		
Financial liabilities												
Deposits and short term borrowings	**424,328,957**	392,557,682	**1,106,204,649**	983,665,660	**95,096,241**	77,727,577	**-**	-	**1,625,629,847**	1,453,950,919	**4.97**	4.98
Payables and other liabilities	**-**	-	**-**	-	**-**	-	**35,437,030**	34,371,538	**35,437,030**	34,371,538	**-**	-
Securitised loans	**684,077,518**	856,537,272	**60,285,802**	53,234,522	**54,233,867**	62,030,865	**-**	-	**798,597,187**	971,802,659	**5.75**	5.18
Provisions	**-**	-	**-**	-	**-**	-	**6,336,805**	10,329,853	**6,336,805**	10,329,853	**-**	-
Subordinated capital notes	**-**	-	**28,000,000**	38,000,000	**-**	-	**-**	-	**28,000,000**	38,000,000	**11.59**	11.26
Total financial liabilities	**1,108,406,475**	1,249,094,954	**1,194,490,451**	1,074,900,182	**149,330,108**	139,758,442	**41,773,835**	44,701,391	**2,494,000,869**	2,508,454,969		

Note 35

Net fair values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at the balance date are as follows:

	Total carrying amount per balance sheet		Aggregate net fair value	
	$ 2012	$ 2011	**$ 2012**	$ 2011
Financial assets				
Cash and cash equivalents	**76,042,103**	88,665,896	**76,042,103**	88,665,896
Due from other financial institutions	**11,449,049**	4,171,649	**11,449,237**	4,171,836
Accrued receivables	**7,257,009**	5,504,730	**7,257,009**	5,504,730
Financial assets	**289,127,785**	249,437,737	**291,566,076**	251,374,169
Loans and advances	**2,230,331,122**	2,279,552,245	**2,233,802,465**	2,282,748,742
Other investments	**6,936,211**	6,888,428	**6,936,211**	6,888,428
Other assets	**13,014,899**	9,532,066	**13,014,899**	9,532,066
Total financial assets	**2,634,158,178**	2,643,752,751	**2,640,068,000**	2,648,885,867
Financial liabilities				
Deposits and short term borrowings	**1,625,629,847**	1,453,950,919	**1,619,698,524**	1,448,854,593
Payables and other liabilities	**35,437,030**	34,371,538	**35,437,030**	34,371,538
Securitised loans	**798,597,187**	971,802,659	**799,840,145**	973,165,368
Provisions	**6,336,805**	10,329,853	**6,336,805**	10,329,853
Subordinated capital notes	**28,000,000**	38,000,000	**28,000,000**	38,000,000
Total financial liabilities	**2,494,000,869**	2,508,454,969	**2,489,312,504**	2,504,721,352

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

Cash and cash equivalents - The carrying amount approximates fair value because these assets are receivable on demand or have a short term to maturity.

Due from other financial institutions - The fair values of amounts due from other financial institutions are estimated using discounted cash flow analysis, based on current lending rates for similar types of investments. The carrying amount approximates fair value.

Accrued receivables - The carrying amount approximates fair value as they are short term in nature.

Financial assets - For the financial instruments traded in organised financial markets, fair value is the current quoted market price adjusted for any realisation costs.

Loans and advances - The fair values of loans receivable are estimated using discounted cash flow analysis, based on current lending rates for similar types of loans.

Other investments - The carrying amount for other investments is considered to be the reasonable estimate of net fair value.

Other assets - The carrying amount for these prepaid fees and expenses is considered to be the reasonable estimate of net fair value.

Deposits and short term borrowings - The fair values of deposits are estimated using discounted cash flow analysis, based on current lending rates for similar types of deposits.

Due to other financial institutions - The fair values of these liabilities are estimated using discounted cash flow analysis, based on current borrowing rates for similar types of borrowing arrangements.

Note 35

Payables and other liabilities - This includes interest payable and trade payables for which the carrying amount is considered to be a reasonable estimate of net fair value. For the liabilities which are long term the fair value is estimated using discounted cash flow analysis, based on current rates for similar types of liability.

Securitised loans - The fair values of securitised loans are estimated using discounted cash flow analysis, based on current lending rates for similar types of loans.

Provisions - The carrying amount approximates fair value.

Subordinated capital notes - The carrying amount approximates fair value.

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1	Level 2	Level 3	Total
	$000	$000	$000	$000
CONSOLIDATED 2012				
Available-for-sale financial assets	-	**19,137,580**	-	**19,137,580**
Financial assets designated at fair value through profit or loss	-	**9,853,679**	-	**9,853,679**
	-	**28,991,259**	-	**28,991,259**
CHIEF ENTITY 2012				
Available-for-sale financial assets	-	**19,137,580**	-	**19,137,580**
Financial assets designated at fair value through profit or loss	-	-	-	-
	-	**19,137,580**	-	**19,137,580**
CONSOLIDATED 2011				
Available-for-sale financial assets	-	32,379,267	-	32,379,267
Financial assets designated at fair value through profit or loss	-	11,091,574	-	11,091,574
	-	43,470,841	-	43,470,841
CHIEF ENTITY 2011				
Available-for-sale financial assets	-	32,379,267	-	32,379,267
Financial assets designated at fair value through profit or loss	-	-	-	-
	-	32,379,267	-	32,379,267

Directors' Declaration

1 In the opinion of the Directors of Wide Bay Australia Ltd ("the company"):

a) the financial statements and notes and the remuneration disclosures that are contained in the Remuneration Report are in accordance with the Corporations Act 2001, including:

i) giving a true and fair view of the financial position of the company and consolidated entity as at 30 June 2012 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date; and

ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretation) and the Corporations Regulations 2001;

b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1:

c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

2 The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director and Chief Financial Officer for the financial year ended 30 June 2012.

Signed in accordance with a resolution of the Directors.

R E Hancock AM
Managing Director
21 August 2012 - Bundaberg

J S Humphrey
Director

Independent Auditor's Report

to the members of Wide Bay Australia Ltd for the year ended 30 June 2012

Report on the Financial Report

We have audited the accompanying financial report of Wide Bay Australia Ltd (the company) and Wide Bay Australia Ltd and Controlled Entities (the consolidated entity), which comprises the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Directors' Declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the Directors also state, in accordance with Accounting Standard AASB101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements, and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the Directors of Wide Bay Australia Ltd on 17 August 2012, would be in the same terms if provided to the Directors as at the date of this Auditor's Report.

Auditor's Opinion

In our opinion:

a) the financial report of Wide Bay Australia Ltd and Wide Bay Australia Ltd and Controlled Entities is in accordance with the Corporations Act 2001, including:

i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2012 and of their performance for the year ended on that date; and

ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b) the financial report also complies with the International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Statutory Report for the financial year ended 30 June 2012.

The Directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Wide Bay Australia Ltd for the financial year ended 30 June 2012 complies with section 300A of the Corporations Act 2001.

Bentleys

Bentleys
Brisbane Partnership
21 August 2012 - Brisbane

Stewart Douglas
Partner

Corporate Governance Statement

The Board of Directors of Wide Bay Australia Ltd has adopted a Board Charter which sets out the Company's compliance with the Australian Securities Exchange (ASX) Corporate Governance, Principles of Good Corporate Governance and Best Practice Recommendations. The 'Board Charter' is available on the Company's website **www.widebayaust.com.au**.

Wide Bay Australia has complied with the principles in accordance with the Board Charter.

Principle 1: Lay solid foundations for management and oversight

In accordance with the regulatory standards, the Board has established a Group Board Remuneration Committee, chaired by Mr John Pressler and comprising all independent Directors, to carry out a performance evaluation of the Managing Director and other senior executives and provided to the Board following a report of discussions between the Chairman of the Committee and the Managing Director.

Wide Bay Australia is in compliance with Principle 1 and full details of the 'Board Charter' are available on **www.widebayaust.com.au**.

Principle 2: Structure the Board to add value

Independent Directors being non-executive Directors who are free of any business or other relationships that can materially interfere with their independence or the exercise of their judgement were:

John Humphrey	4 years in office
John Pressler	24 years in office
Peter Sawyer	25 years in office
Barry Dangerfield	9 months in office

The majority of independent non-executive Directors have many years of service and, with their experience and knowledge of the industry together with their diversified backgrounds, they continue to make an integral contribution to the ongoing development of the Company.

An independent Director is classified as being:

1. not a substantial shareholder or an officer of the Company;
2. not employed or previously employed in an executive capacity by the Company or Group;
3. not been a principal of a material professional adviser or a material consultant to the Company or Group within the last three years;
4. not a material supplier or customer of the Company or Group, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
5. does not have a material contractual relationship with the Company or Group other than as a Director.

The Company's Board Charter provides for independent Directors to have access to professional advice where required at the expense of the Company.

The executive Directors are:

Ron Hancock	33 years in office
Frances McLeod	9 years in office

Details of skills, experience and expertise relevant to each Director is set out in the Directors' Statutory Report.

Separately the Board does not have a formal Nomination Committee, with the full Board addressing such issues that would otherwise be considered by the Nomination Committee.

The Chairman conducts a performance evaluation in conjunction with the Directors of the Board on an annual basis. The performance also includes a 'fit and proper' test required under the APRA guidelines. The evaluation confirmed a satisfactory performance by the Board.

Wide Bay Australia is in compliance with Principle 2 and full details of the 'Board Charter' are available on **www.widebayaust.com.au**.

Principle 3: Promote ethical and responsible decision-making

Wide Bay Australia is in compliance with Principle 3 and full details are available on **www.widebayaust.com.au** under the Corporate Governance Section **-** 'ASX & Shareholder Disclosure' and 'Corporate Code of Conduct'.

The Board recognises the value of diversity and the benefits that flow from promoting a balanced and varied workforce. Wide Bay Australia appreciates the unique contribution of people from different backgrounds, including age, gender, ethnicity, culture and physical ability.

In relation to gender diversity, women accounted for approximately 86% of the Group's overall workforce in the 2011/12 financial year. The approximate representation of women by role within the Group in 2011/12 was as follows:

Role	Female Representation %
Directors	17%
Senior Managers	25%
Other roles	89%

Going forward, Wide Bay Australia is committed to working towards the Board's objective of fostering an inclusive workplace that embraces diversity, including continuing to incrementally grow the number of women performing senior roles.

Principle 4: Safeguard integrity in financial reporting

The Audit Committee has a documented Charter, approved by the Board. The 'Audit Committee Charter' is available on the Company's website **www.widebayaust.com.au** and sets out the Company's compliance with the principles of the ASX Corporate Governance Council's 'Principles of Good Corporate Governance and Best Practice Recommendations'.

The internal and external auditors, the Managing Director, the Chief Financial Officer and the Chief Operating Officer are invited to Audit Committee meetings at the discretion of the Committee.

The names and qualifications of the Audit Committee, the number of meetings held and the number of meetings attended are set out in the Directors' Statutory Report.

Wide Bay Australia is in compliance with Principle 4 and full details are available on **www.widebayaust.com.au** under the Corporate Governance Section **-** 'Audit Committee Charter' and 'Appointment of External Auditors' which includes 'Rotation of the External Audit Partners'.

Principle 5: Make timely and balanced disclosure

Wide Bay Australia is in compliance with Principle 5 and full details are available on **www.widebayaust.com.au** under the Corporate Governance section **-** 'ASX & Shareholder Disclosure'.

Principle 6: Respect the rights of shareholders

Wide Bay Australia is in compliance with Principle 6 and full details are available on **www.widebayaust.com.au** under the Corporate Governance section **-** 'ASX & Shareholder Disclosure'.

Principle 7: Recognise and manage risk

The Audit Committee also carries out various aspects of the financial risk management process and the controls applicable. They are required to review regularly with management the appropriateness of policies and programs in respect of management assessment and any other activities that may be deemed relevant having regard to the prudential standards, APRA requirements and the ASX Corporate Governance Council's 'Principles of Good Corporate Governance and Best Practice Recommendations'.

The Managing Director and Chief Financial Officer in accordance with Section 295A of the Corporations Act 2001 have declared in writing to the Board, that the risk management systems and internal controls are operating efficiently and effectively in all material respects in relation to the financial reporting risks and are founded on a sound system of risk management, internal compliance and control which implements the policies of the Board.

Wide Bay Australia is in compliance with Principle 7 and full details are available on **www.widebayaust.com.au** under the Corporate Governance section **-** 'Audit Committee Charter'.

Principle 8: Remunerate fairly and responsibly

The fees payable for non-executive Directors are determined with reference to industry standards, the size of the Company, performance and profitability. The Directors' fees are approved by the shareholders at the Annual General Meeting in the aggregate and the individual allocation is approved by the Board.

In accordance with Prudential Standards, a Group Board Remuneration Committee was established in July 2010 replacing the former Remuneration Committee of John Pressler and Ron Hancock. Remuneration of the Managing Director, senior executives and other executive Directors is subject to the Group Board Remuneration Committee consisting of John Pressler (Chairman) and independent Directors, Peter Sawyer and John Humphrey.

Relevant remuneration is based on the individual's performance throughout the year, the duties and responsibilities undertaken and is set so as to reflect the remuneration commensurate with the marketplace, given those duties and performances.

No Company performance based payments were made to senior executives during the year.

The names of the members of the Remuneration Committee and their attendance at meetings for 2011/12 are set out in the Directors' Statutory Report.

Wide Bay Australia is in compliance with Principle 8 and full details are available on **www.widebayaust.com.au** under the Corporate Governance section.

Shareholder Information

Registered Office

The registered office and principal place of business of Wide Bay Australia Ltd is:

Level 5
Wide Bay Australia House
16-20 Barolin Street
Bundaberg, Queensland 4670
telephone (07) 4150 4000
facsimile (07) 4152 3566
email widebay@widebayaust.com.au
website www.widebayaust.com.au

Secretary

The Secretary is Mr William (Bill) Ray Schafer.

Auditor

The principal auditors are:

Bentleys
Brisbane Partnership
Chartered Accountants
Level 9
123 Albert Street
Brisbane Qld 4000
telephone (07) 3222 9777
facsimile (07) 3221 9250
email admin@bris.bentleys.com.au

2012 Annual General Meeting

The 2012 Annual General Meeting is to be held on Thursday 15 November 2012 at 11.00am EST at Floor 3, Wide Bay Australia House, 16-20 Barolin Street, Bundaberg, Queensland.

Voting Rights of Shareholders

A shareholder is entitled to exercise one vote in respect of each fully paid ordinary permanent share held in accordance with the provisions of the Constitution.

Key Dates

Annual General Meeting	**15 November 2012**
Full year results and final dividend announcement	22 August 2012
Ex dividend date	3 September 2012
Record date	7 September 2012
Dividend payment	25 September 2012
Half-year results and interim dividend announcement	24 February 2012
Ex dividend date	5 March 2012
Record date	9 March 2012
Dividend payment	30 March 2012

Securities Information

Share Register

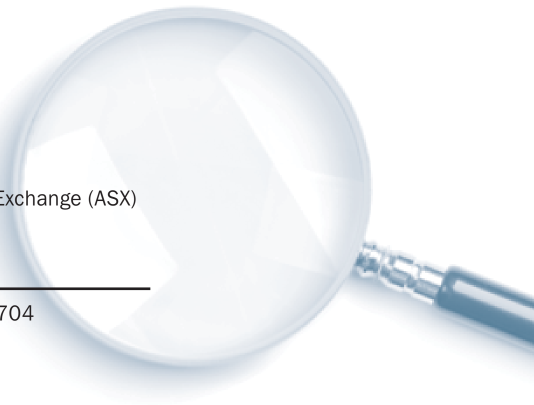
The register of holders of Permanent Ordinary shares is kept at the office of:

Computershare Investor Services Pty Limited
117 Victoria Street
West End Qld 4101
telephone 1300 552 270
facsimile (07) 3237 2152
email brisbane.services@computershare.com.au
website www.computershare.com.au

Issued Shares

The Company's securities listed on the Australian Securities Exchange (ASX) as at 26 September 2012 are:

Class of Security	ASX Code	No.
Permanent Ordinary Shares	WBB	35,733,704



Distribution of Shareholdings

Permanent Ordinary Shares

26 September 2012

Range	No. of Shareholders
1 - 1,000	1,365
1,001 - 5,000	2,124
5,001 - 10,000	658
10,001 - 100,000	498
100,001 - over	57
Total number of shareholders	4,702

Substantial Shareholders

The Company's Register of Substantial Shareholders recorded the following substantial shareholders interests:

Permanent Ordinary Shares

26 September 2012

	No. of Shares	% of Total
Hancock, R E	2,120,871	5.94
Drenwood Pty Ltd / Skipglen Pty Ltd (associated entities & associates)	1,276,910	3.57

Top 20 Shareholders

Permanent Ordinary Shares

26 September 2012

	Name	No. of Shareholders	%
1	Hancock, RE & LP	802,996	2.25
2	Drenwood Pty Ltd	517,972	1.45
3	Hancock, RE	501,219	1.40
4	Skipglen Pty Ltd	499,953	1.40
5	National Nominees	483,311	1.35
6	Sawyer, K	462,719	1.29
7	Milton Corporation Limited	433,570	1.21
8	Mr PJ Sawyer, The Peter Sawyer Family A/c	408,486	1.14
9	Mr BR Sprake & Mrs CL Sprake, RG Sprake & Co Super	402,577	1.13
10	Mirrabooka Investments Limited	344,210	0.96
11	Olsen, RC	330,520	0.92
12	Mr RE Hancock & Mrs LP Hancock, The Hancock Family A/c	320,000	0.90
13	Cockerill, GD & DM ATF, Graham Cockerill Super Fund A/c	318,080	0.89
14	Hestearn Pty Ltd	308,543	0.86
15	Wealthcoach Pty Ltd (Sunrise A/c)	285,236	0.80
16	Mertan Pty Ltd (J & C Fell Super Fund A/c)	275,973	0.77
17	Hancock, RE	267,359	0.75
18	Cran, D	264,074	0.74
19	Drenwood Pty Ltd (Protection A/c)	258,985	0.72
20	Mr KG McBride & Mrs PA McBride	245,888	0.69
	Top 20 Permanent Shareholders	**7,731,671**	**21.64**

Shareholder Information

On-Market Buy Back

There is no on-market buy back.

Dividend Reinvestment Plan

On 21 August 2012, the Director's announced suspension of the Wide Bay Australia Ltd Dividend Reinvestment Plan (DRP) until further notice. The DRP had been reintroduced on 28 August 2008.

The DRP allowed shareholders to reinvest all or part of their dividends in additional Wide Bay Australia Ltd shares. The Terms and Conditions of the Plan and past DRP discounts and share issue process are available online at **www.widebayaust.com.au** under Shareholder Information.

Shareholder Online Investor Centre

We encourage shareholders to take advantage of the Computershare Investor Centre website available at **www.computershare.com.au** - where you can register and:

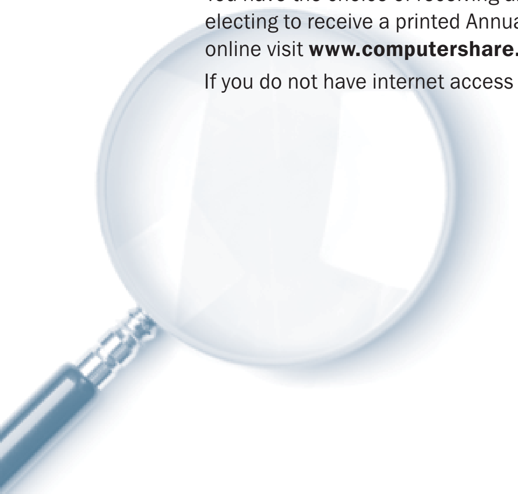
- view your shareholding, dividend and transaction history online
- update your registered address, TFN and dividend instructions
- elect to receive eCommunications about your shareholding
- retrieve copies of dividend payment statements.

Alternatively, please contact Computershare Investor Services Pty Limited directly on **1300 552 270**.

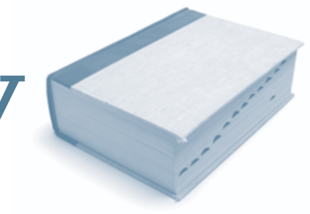
Annual Report Mailing

The Company's Annual Report is available online at **www.widebayaust.com.au** under Shareholder Information. The default option for receiving Annual Reports is via this website. You have the choice of receiving an email when the Annual Report becomes available online or electing to receive a printed Annual Report by mail. To change your Annual Report elections online visit **www.computershare.com.au/easyupdate/wbb**

If you do not have internet access call **1300 308 185** and follow the voice instructions.



Financial Glossary



For your reference, this glossary provides definitions for some of the terms used in financial reporting, particularly by financial institutions listed on the ASX.
Not all terms may have been used in the Annual Report and Financial Statements.

Accrual – Refers to when income is due or an expense is incurred during a period but has not yet been received or paid. A specific example of an accrual would be loan interest - which accrues throughout the month and then gets billed to the borrower as their monthly payment.

ADI – An Authorised Deposit-taking Institution is a corporation authorised under the Banking Act 1959 and includes banks, building societies and credit unions regulated by APRA.

AGM – Annual General Meeting

APRA – Australian Prudential Regulation Authority

ASIC – Australian Securities and Investments Commission

Asset – A resource which has economic value and can be converted to cash. Assets for an ADI include its loans because income is derived from the loan fees and interest payments generated.

ASX – Australian Securities Exchange Limited (ABN 98 008 624 691)

Bad Debt – The amount that is written off as a loss and classified as an expense, usually as a result of a poor-performing loan.

Basel – The Basel Accords are the recommendations on banking laws and regulations issued by the Basel Committee on Banking Supervision, which has the purpose of improving the consistency of capital regulations internationally.

Basis Point – One hundredth of one percent or 0.01 percent. The term is used in money and securities markets to define differences in interest rates or yields.

Capital Adequacy Ratio – A ratio of an ADI's capital to its risk, obtained by dividing total capital by risk-weighted assets. This ratio shows an ADI's capacity to meet the payment terms of liabilities and other risks.

Cost-to-Income Ratio – Obtained by dividing operating cost by operating income, this ratio shows a company's costs in relation to its income. A lower ratio can be an indication that a company is better at controlling its costs.

Credit Rating – An analysis of a company's ability to repay debt or other obligations.

Dividend – A portion of a company's profits that may be paid regularly by the company to its shareholders.

Dividend Payout Ratio – The amount of dividends paid to shareholders relative to the amount of total net income of a company, represented as a percentage.

Dividend Yield – Computed by dividing the annual dividend by the share price.

DRP – A Dividend Reinvestment Plan allows shareholders to reinvest some or all of their dividends into additional shares.

Earnings per Share – The amount of company earnings per each outstanding share of issued ordinary shares.

Ex-Dividend Date – The date used to determine a shareholder's entitlement to a dividend.

Liability – A company's debts or obligations that arise during the course of business operations. Liabilities for ADI's include interest-bearing deposits.

Liquidity – For an ADI, liquidity is a measure of the ability of the ADI to fund growth and repay debts when they fall due, including the paying of depositors.

Market Capitalisation – The total value of a company's shares calculated by multiplying the shares outstanding by the price per share.

NCD – A Negotiable Certificate of Deposit is a short term security typically issued by an ADI to a larger institutional investor in order to raise funds.

Net Interest Income – The difference between the revenue that is generated from an ADI's assets, and the expenses associated with paying out its liabilities.

Net Interest Margin (NIM) – The difference between the interest income generated by an ADI and the amount of interest the ADI pays out to their depositors, divided by the amount of their interest-earning assets.

Net Profit After Tax (NPAT) – Total revenue minus total expenses, with the tax that will need to be paid factored in.

Net Tangible Asset Backing per Share – An indication of a company's net worth, calculated by dividing the underlying value of the company (total assets minus total liabilities) by the number of shares on issue.

Non Interest Income – Income derived primarily from fees and commissions, rather than income from interest-earning assets.

Price-to-Earnings Ratio (P/E Ratio) – A measure of the price paid for a share relative to the annual income or profit earned by the company per share.

Record Date – The date used to identify shares traded and registered up until the Ex-Dividend Date.

Return on Average Ordinary Equity – A measurement of how well a company uses the funds provided by its shareholders, represented by a ratio of the company's profit to shareholders' equity.

RMBS – Residential mortgage-backed securities are a type of bond backed by residential mortgages on residential, rather than commercial, real estate.

Securitisation – Refers to setting aside a group of income-generating assets, such as loans, into a pool against which securities are issued. Securitisation is performed by an ADI in order to raise new funds. RMBS are an example of securities used in a securitisation program.

SSP – Special Service Provider such as an authorised settlement clearing house.

Subordinated Capital Notes – Subordinated notes, or subordinated debentures, are a type of capital represented by debt instruments. Subordinated notes have a claim against the borrowing institution that legally follows the claims of depositors. Subordinated notes or debentures come ahead of stockholders.

Subprime Loans – Refers to credit granted to borrowers whose credit rating is considered to be weak or below average.

Tier 1 Capital – Describes the capital adequacy of an ADI. Tier 1 Capital is core capital and includes equity capital and disclosed reserves.

Tier 2 Capital – Describes the capital adequacy of an ADI. Tier 2 Capital is secondary capital that includes items such as undisclosed reserves, general loss reserves, subordinated term debt and more.

Underlying Profit – The actual reflection of a company's profit. One-off items may be removed from the statutory profit for the company to arrive at this profit figure.

Branch Directory

QUEENSLAND

Bundaberg & Burnett

- **Head Office**
  Wide Bay Australia House
  16-20 Barolin Street, **Bundaberg CBD** Q 4670
  PO box 1063, Bundaberg Q 4670
  phone (07) 4150 4000 fax (07) 4152 3499
- 124 Bourbong Street, **Bundaberg CBD** Q 4670
  phone (07) 4150 4220 fax (07) 4151 0701
- shop 63 Hinkler Central
  Maryborough Street, **Bundaberg CBD** Q 4670
  phone (07) 4150 4900 fax (07) 4152 0823
- shop 321 Sugarland Shoppingtown
  Takalvan Street, **Bundaberg West** Q 4670
  phone (07) 4150 4800 fax (07) 4151 3892
- shop 3 Bargara Beach Plaza
  See Street, **Bargara** Q 4670
  PO box 8110, Bargara Q 4670
  phone (07) 4158 9400 fax (07) 4159 0288
- Mellors P/L
  full service agency
  28 Capper Street, **Gayndah** Q 4625
  phone (07) 4161 1738
- Monto Retravision
  full service agency
  54 Newton Street, **Monto** Q 4630
  phone (07) 4166 1436 fax (07) 4166 1263

Cairns

- shop 122 Stockland Cairns
  537 Mulgrave Road, **Earlville** Q 4870
  PO box 51, Earlville Q 4870
  phone (07) 4032 8500 fax (07) 4054 7082
- shop 16B Redlynch Central Shopping Centre
  cnr Larsen & Redlynch Connector Road,
  Redlynch Q 4870
  PO box 244, Redlynch Q 4870
  phone (07) 4032 8800 fax (07) 4039 4601

Townsville

- shop 1A Stockland Townsville (Kmart)
  cnr Nathan Street & Ross River Road,
  Cranbrook Q 4814
  PO box 610, Aitkenvale BC Q 4814
  phone (07) 4755 7001 fax (07) 4775 6244
- shop 12 Stockland North Shore
  cnr Main & Water Street, **Burdell** Q 4818
  PO box 295, Deeragun Q 4818
  phone (07) 4789 8400 fax (07) 4774 3752

Whitsundays

- shop 1 Deicke Arcade
  Main Street, **Proserpine** Q 4800
  PO box 426, Proserpine Q 4800
  phone (07) 4964 6500 fax (07) 4945 2138

Central Highlands & Coalfields

- shop 18 Central Highlands Marketplace
  2-10 Codenwarra Road, **Emerald** Q 4720
  phone (07) 4987 8200 fax (07) 4982 3510

Mackay & Sarina

- Wide Bay Australia House
  73 Victoria Street, **Mackay CBD** Q 4740
  PO box 508, Mackay Q 4740
  phone (07) 4953 7600 fax (07) 4953 2467
- shop 2127 Caneland Central
  cnr Victoria Street & Mangrove Road,
  Mackay CBD Q 4740
  phone (07) 4953 7200 fax (07) 4951 1958
- Macrossan & Amiet Solicitors
  full service agency
  55 Gordon Street, **Mackay CBD** Q 4740
  phone (07) 4953 2666 fax (07) 4944 2082
  Hoss Pty Ltd acts as Wide Bay Australia's authorised Australian Financial Services Representative: AFS 310794 and Australian Credit Representative: CRN 366231.
- shop 146B
  Mt Pleasant Greenfields Shopping Centre
  cnr Phillip Street & Bucasia Road,
  Mt Pleasant Q 4740
  phone (07) 4965 4500 fax (07) 4942 0188
- Fourways Plaza
  Nebo Road, **West Mackay** Q 4740
  PO box 6080, West Mackay Q 4740
  phone (07) 4953 7800 fax (07) 4951 4581
- shop 4 Sarina Beach Road Shopping Centre
  Sarina Beach Road, **Sarina** Q 4737
  phone (07) 4967 8900 fax (07) 4943 1409
- Calen Electrical Sales & Service
  agency - new accounts, deposits and withdrawals only
  18 McIntyre Street, **Calen** Q 4798
  phone (07) 4958 8400

Rockhampton & Capricorn Coast

- shop 24 Allenstown Plaza
  Canning Street, **Allenstown** Q 4700
  PO box 8439, Allenstown Q 4700
  phone (07) 4999 4600 fax (07) 4922 8566
- shop 83 Stockland Rockhampton
  Yaamba Road, **North Rockhampton** Q 4701
  PO box 3201, North Rockhampton Q 4701
  phone (07) 4923 4400 fax (07) 4928 1050
- 6 James Street, **Yeppoon** Q 4703
  PO box 758, Yeppoon Q 4703
  phone (07) 4925 5000 fax (07) 4939 1077

Gladstone & Tannum Sands

- 78 Goondoon Street,
  Gladstone CBD Q 4680
  PO box 518, Gladstone Q 4680
  phone (07) 4977 8000 fax (07) 4972 2130
- shop 19 Stockland Gladstone
  Phillip Street, **Kin Kora** Q 4680
  phone (07) 4977 9000 fax (07) 4978 6974
- shop 7 Tannum Central Shopping Centre
  101 Hampton Drive, **Tannum Sands** Q 4680
  PO box 3003, Tannum Sands Q 4680
  phone (07) 4971 9100 fax (07) 4973 7072

Fraser Coast

- 230 Adelaide Street, **Maryborough** Q 4650
  PO box 147, Maryborough Q 4650
  phone (07) 4122 7300 fax (07) 4123 3526
- shop 33 Station Square Shopping Plaza
  cnr Alice & Lennox Street,
  Maryborough Q 4650
  phone (07) 4122 7100 fax (07) 4121 0882
- 5 Torquay Road, **Pialba** Q 4655
  phone (07) 4197 3000 fax (07) 4124 6182
- shop 2A Urangan Central Shopping Centre
  cnr Boat Harbour Drive & Elizabeth Street,
  Urangan Q 4655
  phone (07) 4197 2100 fax (07) 4125 5678

Gympie

- shop 38 Centro Gympie
  Bruce Highway, **Gympie** Q 4570
  phone (07) 5489 6300 fax (07) 5482 4008
- shop 27/28 Goldfields Plaza
  Monklands Street, **Gympie** Q 4570
  phone (07) 5489 6200 fax (07) 5481 1992

Sunshine Coast

- shop 1/1 Emerald Street, **Cooroy** Q 4563
  phone (07) 5454 9300 fax (07) 5447 7822
- 97 Poinciana Avenue, **Tewantin** Q 4565
  PO box 998, Tewantin Q 4565
  phone (07) 5440 6400 fax (07) 5474 3133
- shop 1064 Noosa Civic Mall
  28 Eenie Creek Road, **Noosaville** Q 4566
  phone (07) 5473 3300 fax (07) 5449 8542
- shop 12 Nambour Central Mall
  Lowe Street, **Nambour** Q 4560
  phone (07) 5459 2000 fax (07) 5476 2699
- shop 2 Ryan's Plaza
  cnr Ocean Street & Horton Parade,
  Maroochydore Q 4558
  PO box 592, Maroochydore Q 4558
  phone (07) 5409 3100 fax (07) 5443 9225
- shop 1 Caloundra City Centre
  cnr Bulcock & Minchinton Streets,
  Caloundra Q 4551
  PO box 781, Caloundra Q 4551
  phone (07) 5413 3200 fax (07) 5491 7827

South East

- suite 1/156 Morayfield Road,
  Morayfield, Caboolture Q 4506
  PO box 25, Morayfield Q 4506
  phone (07) 5431 8100 fax (07) 5495 3801
- Home Loan & Investment Centre
  shop 3 Wide Bay Australia House
  1957-1961 Logan Road,
  Upper Mount Gravatt Q 4122
  PO box 6042, Upper Mount Gravatt Q 4122
  phone (07) 3828 7700 fax (07) 3349 2253
- shop 11 The Rocket
  203 Robina Town Centre Drive,
  Robina, **Gold Coast** Q 4226
  PO box 4845, Robina Town Centre Q 4230
  phone (07) 5656 5200 fax (07) 5580 9785

real people real smiles real service

NEW SOUTH WALES

- Home Loan & Investment Centre
  1/3 Horwood Place,
  Parramatta, Sydney NSW 2124
  PO box 1077, Parramatta NSW 2124
  phone (02) 8841 2200 fax (02) 9635 9855

VICTORIA

- Home Loan & Investment Centre
  3/1414 Toorak Road, **Camberwell**,
  Melbourne VIC 3124
  PO box 564, Burwood VIC 3125
  phone (03) 8855 4700 fax (03) 9809 4055

SOUTH AUSTRALIA

loans only

- Pioneer Court
  cnr Main North Road & the Grove Way,
  Salisbury Heights, Adelaide SA 5109
  phone (08) 8283 0699 fax (08) 8283 0799

wide bay australia
banking your way

Wide Bay Australia Ltd ABN 40 087 652 060
Australian Financial Services & Australian Credit Licence 239686

head office / Wide Bay Australia House / 16-20 Barolin Street
PO Box 1063 / Bundaberg / Queensland 4670

telephone 07 4150 4000 / facsimile 07 4152 3499
email widebay@widebayaust.com.au

to talk to or locate your nearest branch team...

1300 wide bay
bh 9 4 3 3 2 2

www.widebayaust.com.au

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CREDIT CARDS TRAVEL MONEY WEALTH PLANS BUSINESS FINANCE CAR LOANS