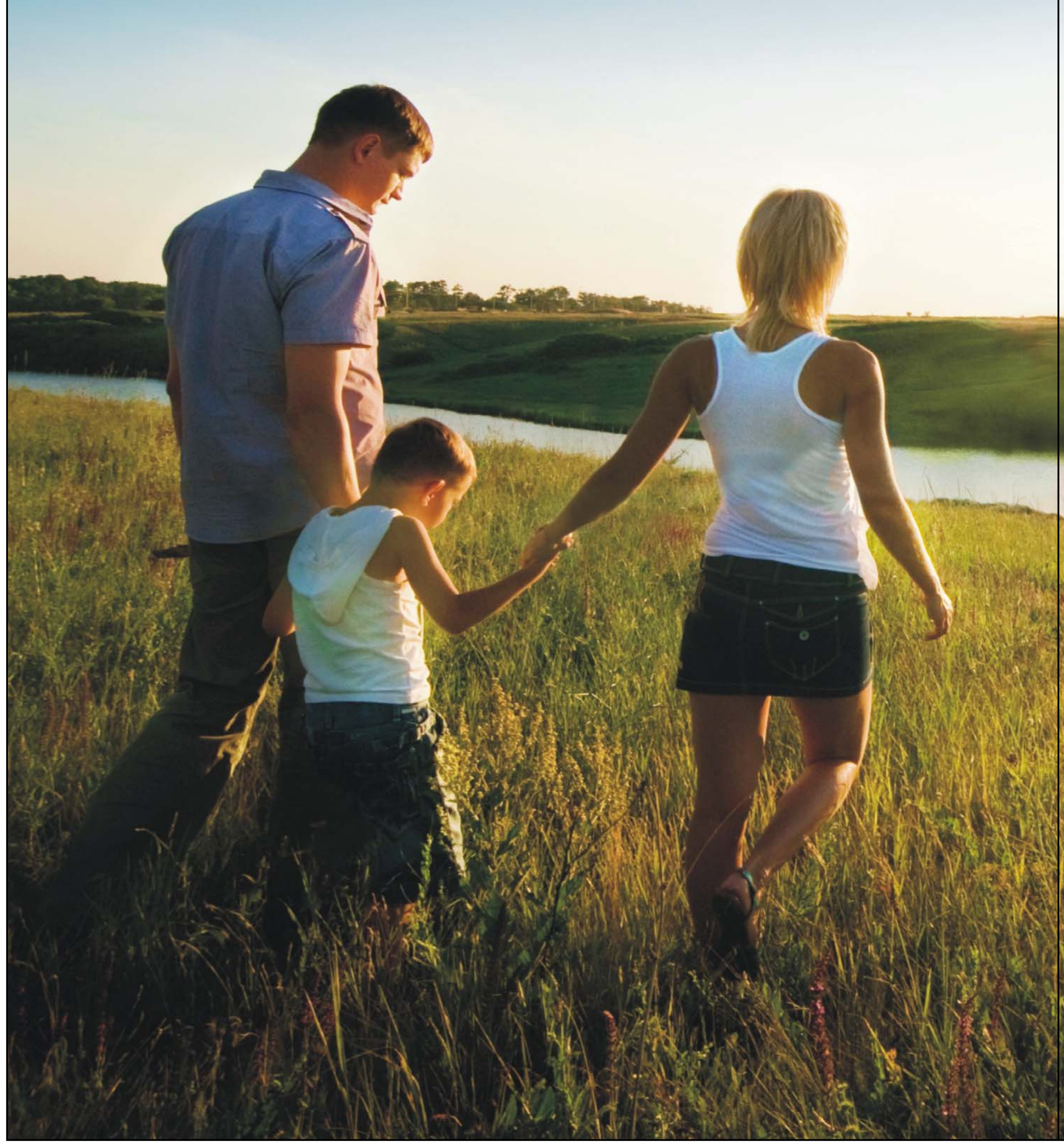
wide bay australia

2010 » 2011 annual report
and financial performance

time for you!

" all **great** achievements require **time** "

DAVID J. SCHWARTZ (author + motivational expert)



what's the **difference** between
big banking... and **great** banking?

the **time** we have **for you!**

from a first home... to a property portfolio
from our smallest savers... to our biggest investors
all wide bay australians can **look forward** to **VIP** treatment!
a feat many of our competitors are **too** 'big' to accomplish

wide bay australia **great** solutions... **great** service!

welcome

to our 2010»2011 annual report

printed on paper that is

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

BANKING
INVESTING
HOME LOANS
INSURANCE

John Pressler OAM FAICD FIFS
Director

Peter Sawyer FCA FAICD FIFS
Director

Ron Hancock AM FCA FAICD FIFS
Managing Director

Frances McLeod MAICD FIFS
Executive Director

John Humphrey LLB
Chairman

DIRECTORS' REPORT

by Chairman **John Humphrey**

On behalf of our Board of Directors, I am pleased to report another strong company performance despite continuing uncertainty prevailing in the world economy and financial markets.

The Wide Bay Australia Ltd ('Wide Bay Australia') group result for 2010/11 was an **after tax profit of $22.7 million** representing a 1.7% increase over that of 2009/10 ($22.3 million).

This result includes an after tax profit contribution of $2.3 million from our wholly owned lenders mortgage insurance company, Mortgage Risk Management Pty Ltd ('MRM'), which compared to a $2.9 million contribution in 2010.

Our **cost-to-income ratio** for the chief entity improved from 55.4% in 2010 to **54.3%** in 2011. This measure of our efficiency has long been a stand-out when compared with our industry peers.

In accordance with our target, we have maintained an **operating margin in excess of 2%** throughout the year which provides a basis for a steady profit growth going forward, particularly as we seek to expand the growth in our loan book.

Our **loan book** has shown a nominal growth of 1.07% **to $2.28 billion** with **loan approvals** for the year **of $308.2 million** as compared to $369.91 million for 2009/10.

Your Board is very pleased with this performance in a year that was characterised by a generally slowing housing market and the flow on effects from both Cyclone Yasi and the Queensland floods.

Based on these results, your Board resolved to pay a final fully franked dividend of 30 cents per share on 4 October 2011, bringing the **total dividend** for the year to **60 cents per share.**

The Board also resolved to reduce the Dividend Reinvestment Plan ('DRP') discount from 7.5% to 5%. The DRP receives strong support from our shareholders and we believe the discount continues to represent a significant incentive to participate.

Current indications are that there is an emerging increase in housing market activity and we have undertaken several initiatives to broaden the company's lending operations so as to provide an increased level of growth in our overall lending.

For example, in the past we have intentionally limited our use of brokers and originators to approximately 20% of our total lending. Given the current market conditions, your Board has resolved to increase the use of selected brokers and mortgage originators this financial year.

The reduced profits from MRM reflected the slower housing market and increased provisioning for arrears. We remain very focused on the efficient management of any loans arrears and are pleased to report a steady and improving situation particularly since the Queensland floods and cyclone at the start of 2011.

During 2010/11, we experienced very strong growth in retail deposits reflecting an increasing trend by Australians to clear their debts and increase their savings.

The increase has also no doubt been influenced by the Commonwealth Government's Deposit Guarantee under the Financial Claims Scheme. Wide Bay Australia depositors obtained the Guarantee due to our status as an Authorised Deposit-taking Institution ('ADI') prudentially supervised by the Australian Prudential Regulation Authority ('APRA').

At the time of writing, the Government announced that the Scheme will now be extended indefinitely with new limits of $250,000 per person per ADI from 1 February 2012. Term deposits which existed on 10 September 2011 will continue to be covered up to $1 million per person per ADI until 31 December 2012 or until they mature - whichever is earlier. »

our values

relationships

our success is built on the relationships we share with our customers, shareholders and each other... we value their loyalty and are committed to providing financial solutions and service excellence

DIRECTORS' REPORT

Retail funds now account for 63% of our total loan funding (up from 53% as at 30 June 2010) and have resulted in reduced reliance on wholesale funding through warehousing and securitisation.

We continue to maintain a strong association with our bankers, with extensive undrawn facilities in warehouses with both ANZ and Westpac. We also have in place a 'repo' facility with the Reserve Bank of Australia, which has no current outstanding drawings, with the Board having a minimum requirement for management to have in place capacity of $200 million to be drawn down immediately, if required.

As the move towards Basel III draws closer, your Board and management have been actively restructuring our risk management function to conform to the requirements that will be introduced. It has been a significant exercise for our management team, including all our risk line managers, and has provided further strengthening of our risk management policies and procedures. In the near future a dedicated Chief Risk Officer will also take up duties to supervise the risk management functions within the organisation.

Our branch network is performing soundly. In March we relocated one of our two Townsville branches and we currently operate 43 Queensland branches and agencies as well as interstate branches in Melbourne and Sydney and a lending outlet in Adelaide.

While there continues to be a significant degree of uncertainty in world financial markets, Australia continues to be well placed due to the strength of our resource industries, prudential supervision and corporate governance.

We are extremely confident that Wide Bay Australia is in a very strong position to capitalise on opportunities that may emerge during the current year.

To our Managing Director Ron Hancock, our Management Team and personnel, on behalf of the Board I congratulate you on your efforts over the course of the last 12 months.

I also take this opportunity to thank my fellow Directors for your diligence and contributions. As alluded to in last year's Directors' Report, John Fell stood down as a Director in December 2010 and we again thank John for his long term contribution.

We especially thank our shareholders, customers and business partners for your tremendous support and look forward confidently to the year ahead.

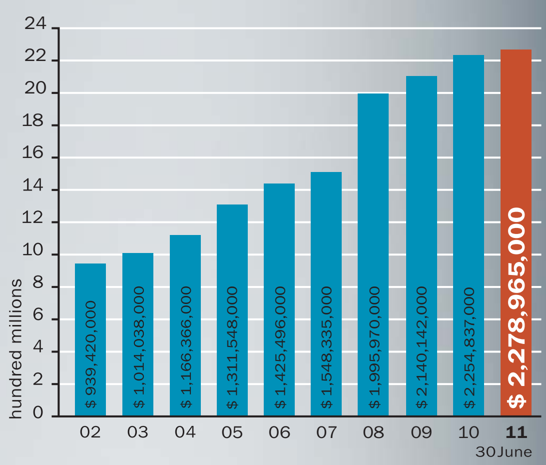
Yours faithfully

John Humphrey
Chairman
14 September 2011 - Brisbane

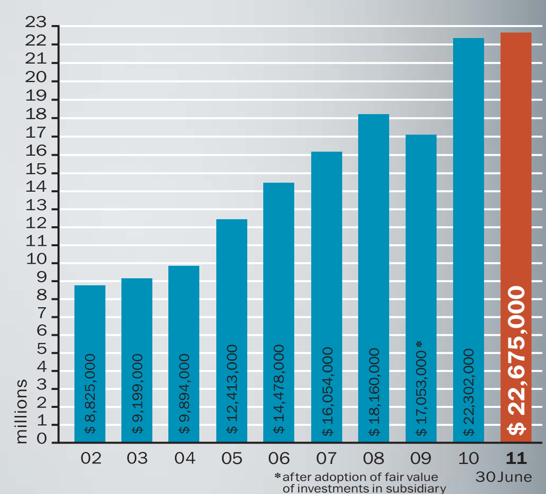
growth

by growing our business, products and services and our people we will be leaders in the competitive banking and financial services industry

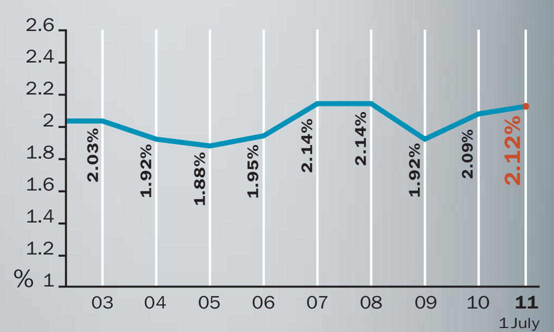
loans portfolio



profitability



operating margin



performance

we take seriously our commitment to shareholders, customers and ourselves to deliver financial strength, consistent profitability and to perform above and beyond expectations

MANAGING DIRECTOR'S REPORT

by Managing Director **Ron Hancock AM**

2010/11 has been a challenging year for Wide Bay Australia Ltd's management with a declining housing market, strong competition, the Queensland flood and cyclone disasters and the continuing uncertainty of international markets, particularly Europe and the USA.

Despite all of these issues, it is very pleasing that the consolidated Wide Bay Australia group has been able to show a slight improvement on last year's profit of $22.3 million, reaching a surplus of $22.7 million. The consolidated profit includes a contribution from our lenders mortgage insurance captive - Mortgage Risk Management Pty Ltd ('MRM'), which achieved an after tax profit of $2.3 million.

A feature of the year has been the shift in our funding mix from 53% retail and 47% wholesale to currently 63% retail and 37% wholesale. This shift strengthens our overall funding position in that we are not as dependent on wholesale and securitisation markets which are more susceptible to international conditions.

Our deposits showed very strong growth of $146 million - an increase of 11.16% for the year. This growth is attributed to the changing savings patterns of the average Australian in the current economic climate plus our competitive interest rates, the Australian Government's Deposit Guarantee, our product features and strong customer relationships.

We have also been able to achieve a small increase in our loan book for the year which stood at $2.28 billion as at 30 June 2011 compared to $2.25 billion at 30 June 2010 - an increase of 1.07%.

From a management point of view, two of our other most significant achievements have been both our margin and cost to income ratio. We have been able to consistently maintain a margin throughout the year in excess of 2% which ensures our ongoing profitability. At the same time we have achieved a slight improvement of our cost to income ratio for the chief entity, which has improved from 55.4% for 2010 to 54.3 for 2011. This is particularly satisfying given that this increased efficiency has been achieved in a period of only nominal growth in overall income.

Our employee levels have remained steady throughout the year with full time equivalent staff of 239 as at 30 June 2011. We have only seen minor changes to our branch network with one branch being relocated to the progressive northern suburbs of Townsville and several refurbishments being carried out at other branches. Our Queensland network extends from Robina on the Gold Coast to Cairns in the far North, with interstate centres in Melbourne and Sydney and a lending outlet in Adelaide.

While our past lending has been predominantly in Queensland, we are focusing more heavily on the New South Wales and Victorian housing markets to help us achieve growth in lending for the current year. Due to our limited interstate branch network, we are increasing our use of originators and brokers in these States.

Our investment in Financial Technologies Securities Pty Ltd ('FTS') continues to yield solid results and enables us to participate in the financial planning industry. We hold a 25% interest in this company and enjoy a strong association with our fellow shareholders, MLC Limited - who acquired Aviva Australia Holdings Ltd's 25% interest in FTS in late 2009 - and FTS personnel who hold the remaining 50% interest.

»

ambition

our Board and Management team share a drive to succeed as a publicly listed company, as a financial institution, as an employer and as an active member of our community

MANAGING DIRECTOR'S REPORT

Our share price has fluctuated throughout the financial year in the range of $8.36 to $11.07 due principally to continuing uncertainty in global financial markets together with Queensland's natural disasters.

However, a 60 cent fully franked dividend was payable for the full year with the final fully franked dividend of 30 cents per share payable on 4 October 2011.

In October last year, we raised approximately $25 million in additional capital through a successful Share Placement and Share Purchase Plan which strengthens our overall capital position.

Our Staff Share Plan is available to all employees and is well supported. It provides our staff with the opportunity of acquiring varying amounts of shares at a 10% discount to the market. The Plan also provides them access to an 'interest free' loan for the purchase of those shares. We believe this is a significant part of our culture by providing our staff with an opportunity to participate in the ownership of the company for which they work.

Our Management Team remain a stable experienced group with the only significant change during the year being the retirement of Ian Pokarier, our I.T. Manager of some 37 years. Ian was a tremendous asset to Wide Bay Australia and played a major role in our systems development creating significant initiatives, synergies and efficiencies in that area. I extend my personal appreciation to him for all his efforts and wish him all the best in retirement.

To the rest of our personnel, many of whom also have enjoyed long periods of service, I extend my appreciation for your continued enthusiasm and dedication.

To our Directors, on behalf of our Management Team and myself I extend our appreciation for your guidance and leadership through the year. You are a very dedicated Board and it is a pleasure to work with you.

We are very confident of the year going forward. Our funding structure which I referred to previously is very strong and we are actively involved in increasing our lending program. Overall Wide Bay Australia Ltd is well placed to take advantage of opportunities that may occur.

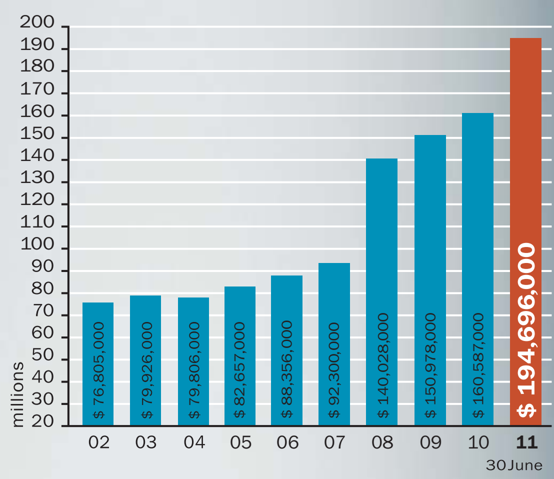
Finally, I extend our appreciation to our many customers, shareholders, associated organisations and business partners for your support.

Yours faithfully

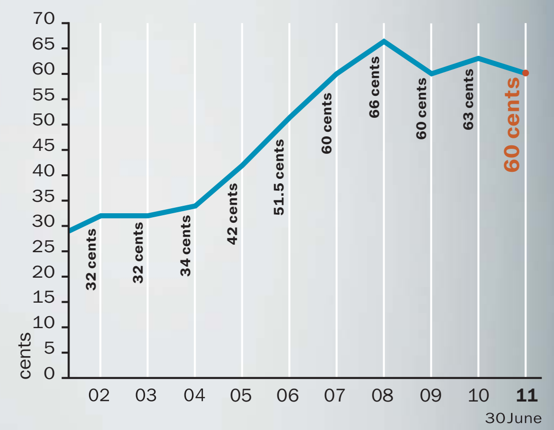
Ron Hancock AM
Managing Director
14 September 2011 - Bundaberg

shareholders' equity

share capital and accumulated reserves



dividend history



share price history

leadership

strong leadership, expertise, innovation and progress are important to us as they ensure we control our own destiny, build our reputation and add to our achievements

flexibility

being flexible allows us to respond quickly to change, to capitalise on new opportunities and to deliver solutions that meet our customers' changing financial needs

your management team

Ron Hancock AM
FCA FAICD FIFS
Managing Director

Bill Schafer
BCom CA
Chief Financial Officer + Company Secretary

Frances McLeod
MAICD FIFS
Executive Director + Chief Operating Officer

Stephen Butler
Loans Manager

Dale Hancock
BBus SA FIN
Manager - Structured Finance, Products + Interstate Operations

Stephen Caville
Chief Information Officer

Bob Ashton
CPFA(UK)
Internal Auditor

Joanne Norris
Administration Manager

Gayle Job
FIFS
Training + Compliance Manager

Ray Linderberg
BBus(Comn) AIFS
Marketing Manager

Ian Hatton
MBA AFAIM
Manager - Retail Outlets Queensland

time to share in QUEENSLAND'S GROWTH!

Population trends have critical impacts on the demographic and economic future of Queensland, and by default, Wide Bay Australia.

Queensland Treasury's **'Queensland Population Projections to 2031' report** monitors the dynamic and ever-changing nature of demography and growth patterns in the State. For some years, Queensland has been at the 'front of the pack' when it comes to population growth and the latest report, released earlier in 2011, highlights similar prospects for the future.

If Queensland's future population resembles 'medium series' projections, it will grow from 4.1 million people in 2006 to 6.1 million people by 2026 - largely due to interstate and overseas migration. This 2 million person increase compares to 1.5 million additional people for the previous 20 years. Growth of this magnitude is projected to result in Queensland's population doubling that of 2006 by 2018.

While future growth will vary across the State - the 'magnet' of South East Queensland remains strong...

- South East Queensland is projected to account for 67.5% of the State's total population increase over the 25 years to 2031.
- By 2026, South East Queensland is anticipated to have a population of just over 4 million people - that's approximately the same size as Queensland's total population in 2006.
- South East Queensland accounts for 6 of the largest growing Local Government Areas ('LGA') for the 10 years to 2026 - including Gold Coast, Brisbane, Ipswich, Sunshine Coast, Moreton Bay and Logan LGA's.
- Wide Bay Australia currently has 9 branches serving the South East Queensland region.

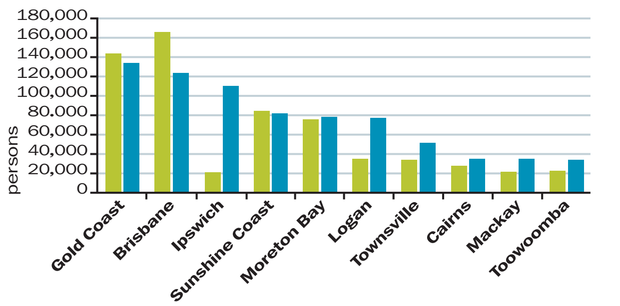
Regional Queensland will also continue its transformation through consistent growth. Decentralisation of industry and the mining boom are significant factors in the rise of regions.

- Most of the fastest growing LGA's for the 10 years leading up to 2021 are situated along the East Coast from Gympie through to Cairns. Included among these growth areas are towns that are developing rapidly to service the construction, mining, processing and transport industries associated with the coal and gas industries being developed in the hinterland.
- Of these LGA's, Gladstone and Isaac regions are predicted to be the third and fourth **fastest** growing - with Whitsunday, Mackay, Central Highlands and Townsville LGA's ranked from sixth to ninth respectively. Wide Bay Australia has 14 branches serving these areas.
- Three of the top 10 **largest** growing LGA's over the 10 years to 2021 can also be found outside of South East Queensland. These include the cities of Cairns, Townsville and Mackay ranked seventh to ninth respectively.

Wide Bay Australia, with a predominance of branches, lending operations and community profile in Queensland, is well positioned to take advantage of this predicted substantial increase in the State's population. At the same time, our interstate branch and lending centres in Sydney, Melbourne and Adelaide continue to broaden our operations and provide geographical diversity to our client base and mortgage book.

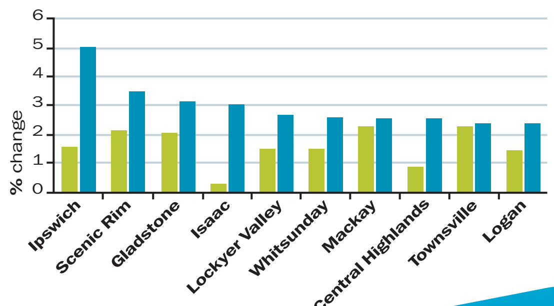
top 10 largest growing LGA's*

population growth in the 10 years to June 2006 + 2021



top 10 fastest growing LGA's*

average annual growth in the 10 years to June 2006 + 2021



10 years to 2006 | 10 years to 2021

*ranked by projected average annual growth rate over the 10 years to 2021

source: ABS 3218.0 and 2011 edition Queensland Government population projections (medium series), Statistical Research - Queensland Treasury

AUSTRALIA WIDE

45 branches, loan centres + agencies
+ over 1850 ATM's*
+ over 330 Bank@Post outlets
+ lending in all states and territories

*includes 'Wide Bay Australia' and 'Westpac' branded ATM's

Queensland's projected average ANNUAL POPULATION GROWTH

June 2006 to June 2031 local government areas

source: ABS 3218.0 and 2011 edition Queensland Government population projections (medium series), Statistical Research - Queensland Treasury

+ INTERSTATE
- **New South Wales** Parramatta - Sydney
- **Victoria** Camberwell - Melbourne
- **South Australia** Adelaide (loans only)

time to achieve HOME OWNERSHIP!

Wide Bay Australia helps everyday Australians achieve home ownership while building and protecting their wealth.

Customers can always count on talking to a real person who will be there when they need them!

As a home lender, Wide Bay Australia has built a reputation for competitiveness and customer service. This has been achieved by taking a genuine interest in each customer's situation with a flexible and understanding approach. A Wide Bay Australia loans consultant is someone you can meet face-to-face, discuss your individual goals and get to know and trust.

Homes to live in or for investment, vacant land or acreage, a refinance, home equity loan or a line-of-credit... Wide Bay Australia's loan products are designed with both the customer's immediate and long-term interests in mind.

That's because as a building society, home finance is our speciality! With over 45 years experience in home lending - we know our local markets.

Our customers' benefit, not only from competitive loan products and great service, but from our **'can do' attitude!**

With a range of **features and benefits** to complement our home loans - such as product packages, incentives and rewards, tools to save you loan interest and insurance protection for your home and family - we're a lender that also looks at the 'big picture'.

Our customers also know they can build a relationship that respects and benefits them through the various stages of their life.

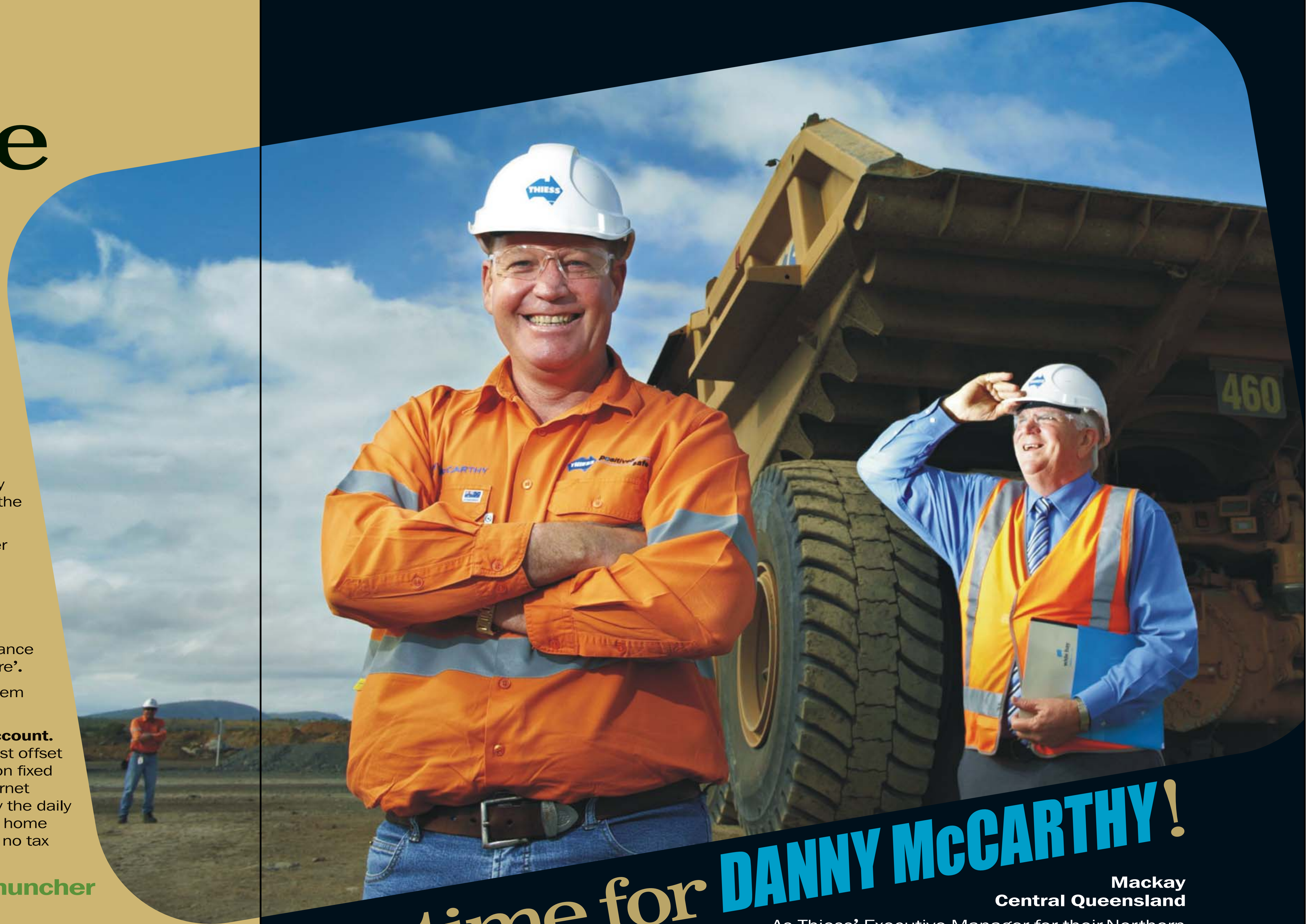
An example of a significant benefit is Wide Bay Australia's **'Mortgage Muncher' Account.** Some years ago we were one of the first Australian lenders to launch a 100% interest offset account ago and are still one of the few lenders in Australia to offer a 100% offset on fixed rate loans. With a range of great banking services attached, such as 'smartlink' internet banking, the Mortgage Muncher can be used for everyday banking... but importantly the daily balance is 'offset' against the borrower's home loan and the benefit applied to their home loan interest each month. Plus unlike interest income earned on most investments, no tax is payable on the Mortgage Muncher offset benefit.

mortgage muncher

2011 saw the continuation of the Commonwealth Government's First Home Owner Grant plus the launch of similar housing-industry grants from the individual State Governments, such as the $10,000 Queensland Building Boost. Wide Bay Australia's loans consultants assist qualifying first-home-buyers to complete their relevant applications... and together with our cooperative approach, we have again enjoyed a year of helping many first-timers realise their dreams of home ownership.

At Wide Bay Australia, home loans are all about **real** people offering **real** choices and **real** flexibility!

This is not an offer to lend - credit assessment criteria, terms and conditions plus fees and charges may apply - full details on application. Prior to entering into a credit contract with us you should read our Credit Guide. We do not provide advice on any accounts and banking services based on any consideration of your objectives, financial situation or needs. To decide if they are right for you please read the booklet 'Your Guide to Wide Bay Australia's Accounts and Banking Services' available from our branches or website.



time for DANNY McCARTHY!

Mackay
Central Queensland

As Thiess' Executive Manager for their Northern Region Mining, Danny McCarthy 'knows his business'!

In 1998, after moving to Mackay with his wife Lara and family and renting for a couple of years while he became established in his mining role, Danny took advantage of the emerging property market and bought their first home. Over the next few years they used their equity to borrow for home improvements. "Now, after 10 years of renovations, we are really enjoying our little piece of Mackay."

With the Mackay region growing on the back of the vibrant mining industry, they have since obtained two further investment loans through Wide Bay Australia's Garth Morgan (pictured onsite with Danny above). "Our goal is to continue to pay off our current home within the next few years and to build our investment portfolio with strategic purchases in growth areas."

After his latest loan in May this year was settled, Danny commented that "nothing can be improved! Garth has an excellent personal approach that has made this a great experience. That's why we continue working with Wide Bay Australia."

Danny has also operated a Mortgage Muncher for many years resulting in literally thousands of dollars in saved interest on his home loans. "It works really well for us as a banking account while also being a very strong lever against our loans. I am also an avid user of 'smartlink' internet banking which is an excellent portal for us to pay bills, transfer money and download statements. I rarely, if ever, need attend the branch unless I have to sign documents and even then Garth makes it easy by being flexible enough to open his office early or stay late to suit my hours or will even come to my workplace. Thank you Garth - I wouldn't go anywhere else!"

real choice... real flexibility

time to be REWARDED!

This year the 'Big Four' banks and their subsidiaries again dominated the Australian home loan market. In August 2011, together they held an 87.3% market share of Australia's owner occupied home loans and 86% share of investment property loans.

It's more important then ever that home lenders like Wide Bay Australia provide **a true home loan and banking alternative for everyday Australian's** seeking greater choice!

While service and flexibility are prime factors in Wide Bay Australia's customer relationships, the provision of competitively-priced and attractively-featured home loans is also essential. Importantly, Wide Bay Australia home loans are differentiated from many other lenders with the availability of a range of fantastic customer incentives and rewards.

Thanking customers for their support has always been important to Wide Bay Australia, with the company taking some of the money that would otherwise be spent on external marketing and advertising and instead using it to say **"thank you"** to customers.

For example - after buying, building or refinancing a home, a holiday may not be in easy reach for many people... and what better way to recharge after all the planning and moving than with a relaxing holiday!

Wide Bay Australia's '**Holiday on the House**' program provides qualifying customers with Star rewards which they can redeem at over 200 holiday destinations in Australia and overseas. Thousands of customers have redeemed their Star rewards for accommodation, flights, car hire, cruises and tours. Star rewards have a two year expiry date and can even be redeemed online in minutes at a dedicated website **www.holidaysonthehouse.com.au**

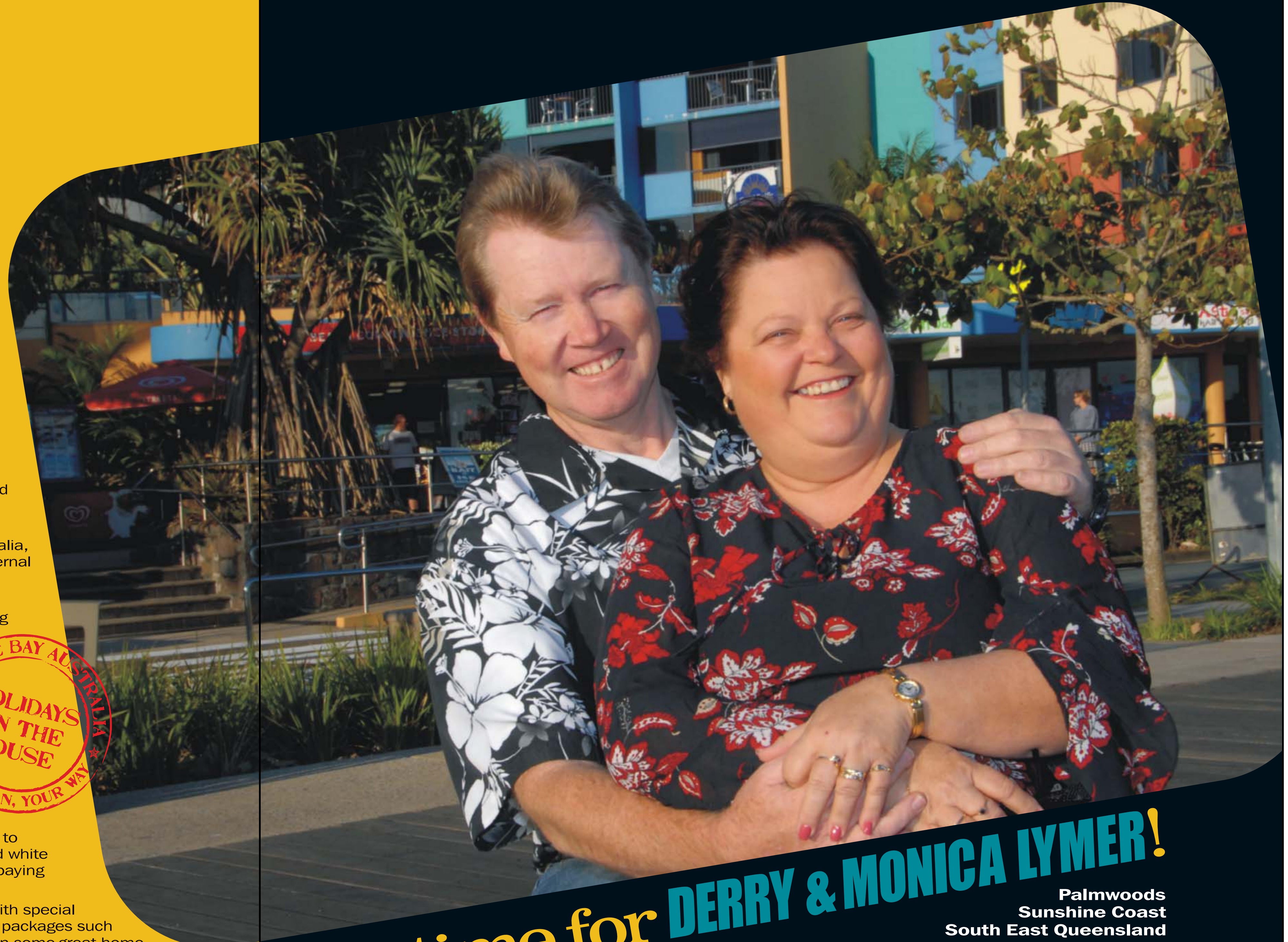
But because a holiday isn't on everyone's wishlist...

Wide Bay Australia was one of the first lenders to provide cash incentives to new home loan customers. The Home Loan **'Cash Gift'** reward was initiated in August 2010 and provides qualifying home loan applicants with up to $3000 cash to spend however they wish... home set-up costs such as relocating, new furniture and white goods, decorating, landscaping, connecting utilities such as gas or phone, or even paying the expenses of setting up a home loan such as legal fees.

While Wide Bay Australia has always enabled new borrowers to 'get on their feet' with special discount 'start-up' interest rates, in February 2011, we also launched new product packages such as the **Home Options Package.** The Package allows qualifying customers to obtain some great home loan rate discounts as well as fee savings and other benefits on their home loan, line-of-credit, everyday banking account, term deposit, insurance (home building, contents and car) and credit card.

Home loans at Wide Bay Australia mean a lot more than just competitive products and great service... they also mean **fantastic choices** when it's time to be rewarded!

This is not an offer to lend - credit assessment criteria, terms and conditions plus fees and charges may apply - full details on application. Prior to entering into a credit contract with us you should read our Credit Guide. We do not provide advice on any accounts and banking services based on any consideration of your objectives, financial situation or needs. To decide if they are right for you please read the booklet 'Your Guide to Wide Bay Australia's Accounts and Banking Services' available from our branches or website.



time for DERRY & MONICA LYMER!

Palmwoods
Sunshine Coast
South East Queensland

Derry and Monica really enjoy each other's company. That's why Caloundra on the Sunshine Coast was the perfect setting for a romantic evening to celebrate their recent wedding anniversary!

"Our night away at the Breakfree Grand Pacific on the waterfront at Bulcock Beach, courtesy of Wide Bay Australia, was simply wonderful. Excellent service, a spacious room, a romantic dinner and walk, gazing over the ocean towards Bribie Island and the colourful lights of Caloundra's beachfront... it was a beautiful night to be together' reminisced Monica.

Derry and Monica, who've had a couple of Wide Bay Australia home loans and a line-of-credit, qualified for 'Holiday on the House' Star rewards after applying for an equity loan last year. "It was really appreciated, especially on top of the great service we had already received from our loans consultant, Rae-Lee Curtis. We recommend to everyone to choose Wide Bay Australia if they are considering a home loan."

The happy couple moved to the Sunshine Coast about 16 years ago and have been Wide Bay Australia customers since 1995. "While we love this region, having just come back from a six month trip around Australia, we would dearly love to travel together again. There is so much to see and the scenery is so beautiful. A lot of wonderful places feature in the Wide Bay Australia holiday catalogue so no doubt other couples will enjoy spending some memorable time together after arranging their home loan through Wide Bay Australia."

real incentives...real appreciation

time to get STARTED!

Many things in life depend on saving money. Those people who set their goals and can commit to a savings plan have a far better chance of making their dreams - such as a home, travel, study or retirement comfort - become a reality.

It's never too early to start teaching children about this fundamental financial and life skill which will serve them through to adulthood. In fact, children can understand how to save coins in a piggybank before they even learn how to count the right change. Even very young children, including pre-schoolers, can learn the value of money and **saving for small goals.**

Children can be encouraged to save pocket money, gift money and any other allowances. Parents can start by discussing with their child how much they will need to set aside on a regular basis to reach a savings target. They can help them stay on track by offering to add to their savings if the child achieves a particular savings goal.

Opening their own savings account is a logical 'next step' and a Wide Bay Australia **Young Achiever's Account** is an excellent way of initiating a child's experience of the banking world.

With no account fee, interest paid monthly on daily balances plus an attractive monthly bonus for every month they save... children can quickly appreciate the value of thriftiness and saving in their Young Achiever's Account.

Pocket money can be paid into their account electronically, however ideally children can be taken to a branch where they can make their own deposits... as this will make them feel responsible for their own savings.

Watching their savings grow is made even easier as Wide Bay Australia still issues 'good old fashioned' passbooks.

At age 12, a child can also apply for a Wide Bay Australia Cashcard on their Young Achiever's Account - enabling them to access their spending money from ATM's or make retail purchases by EFTPOS. This also gives them 'real world' financial experiences and responsibilities.

At age 18, a child's Young Achiever's Account is converted to either a Wide Bay Australia Bonus Plus Account (for saving) or a Today's Options Account (for transacting). The Bonus Plus Account has bonus interest saving incentives and no monthly account fee, while the Today's Options Account has generous transaction fee savings with an account fee exemption for tertiary students.

Wide Bay Australia's customer service consultants get a real kick out of seeing children's faces when they proudly hand over their latest savings and personalised passbook to have it updated. And of course, our customer service consultants will devote all the time needed to encourage and nurture our smallest savers as they begin their financial journey... and support them with our range of banking services as they grow!

INVESTING

time for LIEN & KEELYA BOULTER!

Vincent
Townsville
North Queensland

Many grandparents know how important saving is! So in 2010, Lien and Keelya Boulter's grandmother, or 'Mama' as she's affectionately known, bought Wide Bay Australia piggybanks for the two girls. Their mum, Nadene, had opened Wide Bay Australia Young Achiever's Accounts for them through our Centro Townsville branch at the urging of her partner Paul. Paul believed it would be good for the girls to practice 'good old fashioned' banking... saving, updating passbooks and building a long term relationship with the people at their local branch.

Since then 14 year old Lien and 10 year old Keelya save the money they get for their birthdays and Christmas along with pocket money for doing chores around the house.

Lien, who has a part time job at a local bakery, admits she hasn't done that well with her saving. "I'd like to save more but still have some spending money as well. That's why Mum is helping me do up a budget and I have opened separate accounts for my saving and spending. It'll mean I can still hang out with my friends and shop with my Wide Bay Australia Cashcard but still be saving for an iPod Touch. My long term goal is to save for a car!"

Keelya, on the other hand, appears to have caught the saving bug. "The more I get into my account the happier I am! This year Mama gave me money for the Show but I didn't spend it on rides or show bags because I wanted to put it in the bank!" Keelya has her mind set on a laptop. "Mum says I have to have $500 in my account first... I'm nearly there!" One of Keelya's hobbies is playing with her remote control car. "It was the first thing I saved up for and bought. I really look after it because I know how hard I had to save to get it." Keelya visits their local Wide Bay Australia branch whenever she goes shopping with her Mum. "I like to go in there because everyone is friendly and always gives me a big smile."

goals... growth... success

time to make THE SWITCH!

Over 2010/11, Wide Bay Australia showed sound growth in net invested funds despite intense competition in this sector!

Investors benefited with a series of cash rate increases by the Reserve Bank in early 2010, with another rise in November 2010.

As an Approved Deposit-taking Institution, Wide Bay Australia was at the forefront of promoting a range of competitive on-call and term deposit accounts catering to a wide range of saving and investing needs - from children to retirees, from families to businesses, from 'mums and dads' to professional investors.

On-call deposit options include everyday transaction accounts allowing for easy access and regular transacting, saving accounts helping customers save for special goals and investment accounts allowing customers to earn higher returns on larger amounts. Wide Bay Australia customers can still choose between a passbook and regular statement on most accounts. Account-holders can also open multiple sub-accounts, for example, one sub-account for bills, another for loan repayments and another for special savings needs. Many customers arrange for their income to be deposited electronically to their account and, where available on a particular account, can then take advantage of a range of banking services such as 'smartlink' internet, mobile or phone banking, Cashcard, cheque book and much more.

Fixed term deposits, with terms of one month up to five years, are a popular option with a comparison of Wide Bay Australia's term deposit rates to the 'big banks' leaving many new investors pleasantly surprised. While most banks require $1000 or more to invest in a term deposit, our investors only need $500 to get started.

The decision to save or invest with Wide Bay Australia is based on the competitiveness of our interest rates, the convenience of the associated banking services, the delivery of personalised customer service and of course 'peace-of-mind'.

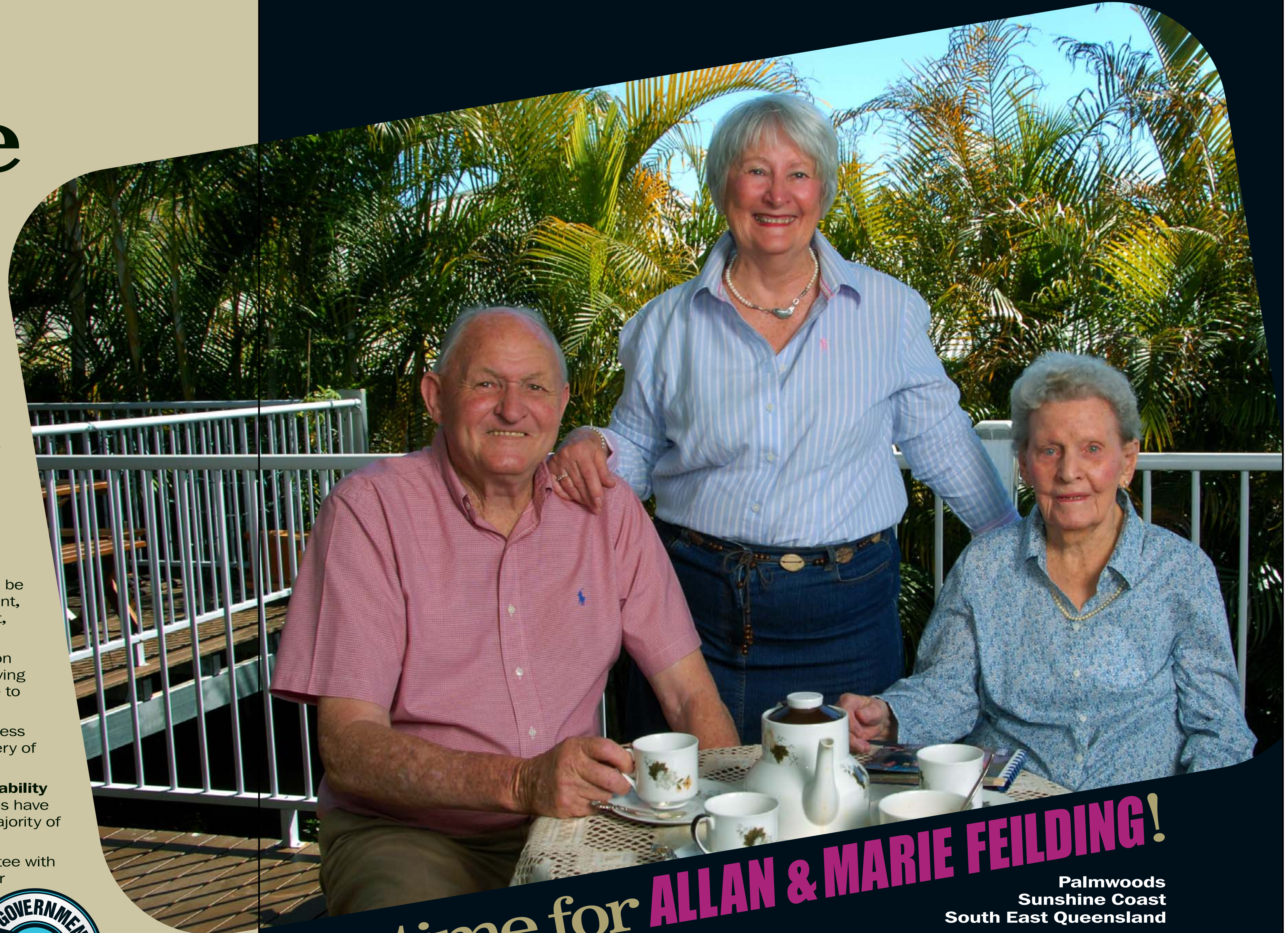
Wide Bay Australia policies and controls have produced a **consistent record of stability and growth** which is reassuring to investors. In particular, adequate capital reserves have been maintained as well as a commitment to a quality lending portfolio with the majority of mortgages insured and no exposure to 'low doc' or 'sub-prime' loans.

In 2008, Wide Bay Australia welcomed the Australian Government Deposit Guarantee with deposits up to $1 million per entity guaranteed by the Australian Government under the Financial Claims Scheme until 12 October 2011. At the time of writing this annual report, the Government had confirmed that the Guarantee will continue to apply to deposits up to $250,000 per entity.

GOVERNMENT GUARANTEED DEPOSITS

Wide Bay Australia remains committed to delivering **competitive and safe options** for each and every customer. Regardless of your financial situation or the amount of money you have to invest... we have the **time** and the **solutions** for you!

We do not provide advice on these accounts and banking services based on any consideration of your objectives, financial situation or needs.
To decide if they are right for you please read the booklet 'Your Guide to Wide Bay Australia's Accounts and Banking Services' available from our branches or website.



time for ALLAN & MARIE FEILDING!

Palmwoods
Sunshine Coast
South East Queensland

Allan and Marie Feilding's first association with Wide Bay Australia was in Maryborough, Queensland in 1992. "That was after we became dissatisfied with the 'big' banking system" said Marie.

After moving to Palmwoods on the Sunshine Coast in 2000 and buying a local supermarket, Allan and Marie transferred their banking to Wide Bay Australia's Nambour branch - where they obtained a home loan plus opened a cash management account and a term deposit.

"Each time we needed to reinvest our term deposit, Wide Bay Australia has been really competitive - a lot more competitive than the 'big four'. We enjoy going into our local branch for the personal service and pleasant greetings. Nothing is ever a bother for the staff to do! We also appreciated their helpful advice when we have travelled to visit our daughter and grandchildren in London, but who now live in Australia."

Allan and Marie have now retired and are enjoying the odd game of tennis, catching up on their reading and above all, spending time with their family.

Marie's mother, Agnes Cook (pictured right) also has a term deposit and savings account with Wide Bay Australia's Nambour branch. Agnes is looking forward to celebrating her 100th birthday this coming January!

The face of banking sure has changed a lot over the last century, but at Wide Bay Australia Marie, Allan and Agnes can always count on getting real 'good old fashioned' personal service and competitive interest rates on their savings!

real security...real service

KEEPING UP with the times!

46% of Australian mobile users are now using mobile web-connected phones or 'smart phones'... up from 31% in 2010. The number is likely to climb to 60% in 2012!

Surprisingly, while Gen Yer's (born between 1981-1992) make up the bulk of this number... 39% are aged over 40. Significantly, 36% of 'smart phone' owners are using their mobile phone to conduct mobile banking at least weekly.*

Recognising the **changing needs and demographics** of our customers and given the huge uptake of our 'smartlink' phone and internet banking over the last few years, Wide Bay Australia launched **'smartlink' mobile banking** in February 2011.

'smartlink' mobile banking allows customers to access their Wide Bay Australia accounts using a large range of internet-enabled mobile phone makes and models.

Our **banking** customers can use 'smartlink' mobile banking to...

- check their account balance or view their recent account transactions and details
- BPAY their bills for free
- use the electronic BPAY View service with participating billers
- transfer funds between Wide Bay Australia accounts
- make payments to accounts at other financial institutions
- view periodical and pending payments

Our **loan** customers can also use 'smartlink' mobile banking to...

- check their loan account balance
- view recent loan account transactions and details... including any monthly offset benefit from their Mortgage Muncher 100% offset account
- make payments to their loan account

With more and more customers using the internet to do their banking and pay their bills, we have invested in making our customers' funds **safer!**

For example, 'smartlink' mobile and internet banking customers can now protect their funds by applying for 'SMS Secure'. This free service gives customers the reassurance that funds in their Wide Bay Australia account are not being transferred to a new third party payee without their knowledge. Once registered, customers are sent an SMS Secure code as a text message to their nominated mobile phone whenever a transfer to a new third party payee is requested or when an existing SMS Secure payee's details are edited.

In a separate 2011 development, in conjunction with eHound Pty Ltd, Wide Bay Australia also introduced a cutting edge mobile web Branch and ATM Locator - superior in functionality and usability to anything offered by the 4 major banks. Customers can access information about our branches and ATM's, including over 1800 'Westpac' branded ATM's across the country that form part of our ATM network. Customers can also access our website and a 'Quick Find' Customer Help directory.

At Wide Bay Australia we are proud to provide our customers the latest in banking technology to make their lives easier, while holding on to the 'good old fashioned' values of customer service!

smartlink
phone / internet / mobile

*source: Fact Sheet - Telstra Smartphone Index 2011

We do not provide advice on these accounts and banking services based on any consideration of your objectives, financial situation or needs.
To decide if they are right for you please read the booklet 'Your Guide to Wide Bay Australia's Accounts and Banking Services' available from our branches or website.

time for HAYLEY WARREN!

Wooloowin
Brisbane
South East Queensland

Hayley was born on the Sunshine Coast and opened a Wide Bay Australia Young Achiever's Account in 1995. About 8 years ago, Hayley left the Sunshine Coast to attend University in Brisbane. Now, at age 25, she continues her studies part-time while working as a Quality Assurance Officer for a company providing diagnostic and healthcare solutions.

Hayley is also a keen footballer (soccer), plays volleyball and is a regular at the gym.

Even though Wide Bay Australia has few branches in Brisbane, Hayley isn't disadvantaged as she can access her Today's Options Account with unlimited free ATM and EFTPOS. Hayley has also embraced our new mobile banking and uses the service regularly to pay her bills and check her account balance - especially helpful when you're 'on the run' between work, study and sport commitments!

"I couldn't live without it!" states Hayley.

Of course with **1300WIDEBAY**, real people at her local branch are only a phone call away.

innovation... convenience

BILLS PAID in no time!

Back in 1997 a new brand entered the Australian market and it revolutionised the time-consuming task of arranging payment of bills.

The launch of **BPAY**® was a global first... a single bill payment service adopted across the banking sector.

BPAY provided customers with a convenient and secure way to pay their bills as well as an efficient collection service for biller organisations.

BPAY initially started as a phone bill-paying scheme with just 35 billers - but it soon developed with the times and offered bill payment via the internet.

Businesses were quick to recognise the benefits of BPAY and came on board in droves. Today, almost 15 years later, there are over 20,000 biller codes covering companies, utilities and government departments.

Millions of Australians have also become BPAY fans. Every month, about 26 million bills worth approximately $19 billion are paid using the service. More than 89% of these are paid over the internet.

The **biggest processing day** in the scheme's history arrived on 27 April this year with a whopping 2.4 million payments processed worth a staggering A$2.1 billion.

In May a **monthly record** 27.24 million bill payments were processed - that's equal to more than one payment for every Australian!

Wide Bay Australia offers customers BPAY through 'smartlink' phone, internet and mobile banking and is one of the few financial institutions that offer a **free, over-the-counter** BPAY service to customers at our branches.

In 2002 **BPAY View**® was introduced - a related service that allows consumers to receive their bills electronically rather than in the mail, which they can then easily pay using BPAY. BPAY View reduces time and costs for billers and has huge environmental benefits with over 2.2 million registrations to date. A record 1 million BPAY View bill summaries have been processed and presented in March this year alone. Wide Bay Australia also offers customer access to BPAY View through 'smartlink' internet and mobile banking.

All this means BPAY has become the most popular bill payment service in Australia today and remains unique on the world stage as a distinctively Australian invention!

We make paying your bills with BPAY **easy.** It's just another way that banking with Wide Bay Australia means **more time for you!**

source: www.bpay.com.au

® Registered to BPAY Pty Ltd ABN 69 079 137 518

time for KRISTEN STEPHENS!

Yeppoon
Central Queensland

Kristen has a lot of loves in her life! Family, friends, gardening, cooking, reading, listening to and playing music... plus there's her full-time work, volunteering as treasurer for her local rural fire brigade and her children's school's P&C activities.

As a busy person Kristen's time is always precious so she arranges to pay her bills using BPAY at Wide Bay Australia's Yeppoon branch.

"I love BPAY! The convenience of paying all my bills in one place in my lunch break, and then having a record in my passbook is just brilliant. But the best part is the Wide Bay Australia team (pictured - Katrina Simpson, Jane Constantinou and Debbie Olsen) who always give me dedicated customer service. Professional, friendly and caring... it's like Wide Bay Australia hires the personality and then trains the person!"

Kristen has been with her current employer for 17 years and has always strongly believed in customer service. "It's a customer's shopping experience that keeps them coming back each time and sets different businesses apart. Every experience I have with Wide Bay Australia is a great one. When I come in, it's a bit like sharing my lunch with the girls, minus the food! A bit of a laugh, a quick chat and then back to work. The ability to easily BPAY my bills certainly helps me keep my spare time free for the other things I love and enjoy!"

real people...real smiles

time-saving INSURANCE!

Arranging insurance protection has become a task Australians cannot afford to set aside! Our homes, personal belongings, cars, lives, holidays... all require adequate cover if we are to financially recover should the unforeseen occur.

Recognising the **convenience** and **benefits** for our customers of having their home finance, banking ***and*** insurance all 'under the one roof', we launched Wide Bay Australia Widecover in 1991 and now offer home building, contents, landlord, car, boat, travel and mortgage repayment insurances as an agent of Allianz Australia Insurance Limited^ and its associated companies. We can also help arrange personal risk insurances such as life, disability and income protection as well as various covers for the Wide Bay Australia MasterCards.

The underwriters of these covers have been selected by us for the quality of their service and products. For example, Allianz was named winner of the 'General Insurance Company of the Year Award' at the 2011 Australian Insurance Industry Awards!

With many options including 'pay-by-the-month', payments linked to their Wide Bay Australia bank account, plus **outstanding service** from their local Wide Bay Australia branch team... Widecover customers enjoy **easy and efficient** management of their insurance needs! Many also take advantage of Widecover's 'Insurepac' discounts, which may apply when multiple covers are taken out.

As a home lender, we understand and appreciate the passion and commitment everyday Australians have for their homes. Widecover Home Building Insurance includes protection against damage from storms, rainwater or run-off, water or liquid damage, earthquakes, fire and smoke, explosion, impact, burglary, malicious acts, riot or civil commotion and accidental glass breakage. Legal liability protection up to $20 million, mortgage discharge costs in the event of a total loss, professional rebuilding fees, removal of debris and temporary accommodation after an insured event are also provided.

It is estimated that 70% of Australian homes are underinsured!*

Underinsurance is the heartbreaking result of home-owners not adequately calculating the replacement cost of their assets and their insurance payout falls short of being able to recoup all that has been lost.

As a responsible insurance provider, we aim to ensure that our Widecover customers arrange adequate cover. Handy tools and resources to itemise assets and calculate their current values are provided online and in our branches. Our home loans consultants can also arrange Widecover when a home is being financed... and our friendly branch and Widecover Insurance Service Centre teams are always available to provide all the individual assistance and attention our customers need to achieve genuine peace-of-mind!

widecover insurance

*source: Insurance Council of Australia, Consumer Tips - Avoiding Underinsurance, June 2010

We act as agent or distributor of these policies on behalf of the policy issuer or underwriter (^including Allianz Australia Insurance Limited ABN 15 000 122 850, AFSLN 234708) whose details are contained in the Wide Bay Australia Financial Services Guide (FSG) which is available at our branches or website. Terms and conditions apply. We do not act as your agent or provide advice on these insurances based on any consideration of your objectives, financial situation or needs. To help you make an informed decision about whether to acquire an insurance product through Wide Bay Australia Widecover you should read our FSG and the relevant Product Disclosure Statement.

time for BRETT & CYNTHIA TURNER!

Miriam Vale
Central Queensland

"Fifteen minutes and she was gone!" Brett and Cynthia Turner watched their fully renovated Queenslander home of eight years burn to the ground in July this year.

The couple were working in a back paddock on their rural property 'Heathwood' when they saw smoke coming from their house... moments later it was totally engulfed in flames. "Mate, it's all gone. Everything we own is gone... we've lost the lot" Brett said in state of shock when interviewed by his local newspaper.

Fortunately, when they financed their acreage home through Wide Bay Australia, they also arranged Allianz home building and contents insurance with Widecover. Brett and Cynthia had previously insured using Widecover with an earlier home loan.

Immediately following the tragedy Allianz provided the Turner's with an emergency payment for accommodation, food and clothing. Their Allianz building cover also paid for the removal of the debris. Allianz was prompt to follow up with payment for their contents and the release papers to pay out the house. Two months after the devastation, caused by an electrical fault, Brett and Cynthia have begun the process of rebuilding their home and their lives.

"Soil tests have been taken, the house plans are in our hands... and we're about to go to Council. We're hopeful our local builder can start construction in the coming weeks, so we'll be settled into our new home soon! Support from our local community has been overwhelming... beyond words. We also want to say thank you to Wide Bay Australia and Allianz."

affordable...dependable

2010 » 2011

ACHIEVEMENTS at a glance

CHIEF ENTITY

- **growth in customer deposits to $1.459 billion**
  ($1.313 billion in 2010 - an increase of 11.16%)
- **cost to income ratio of 54.3%**
  (55.4% in 2010)

CONSOLIDATED

- **growth in loans portfolio to $2.279 billion**
  ($2.255 billion in 2010 - an increase of 1.07%)
- **net profit after tax of $22.68 million**
  ($22.30 million in 2010 - an increase of 1.67%)
- **earnings per share of 66.36 cents***
  (70.54 cents in 2010)
- **return on equity ratio of 11.65%*** (13.89% in 2010)

* these 2011 figures reflect the issue of over 2.5 million shares due to the Share Placement and Share Purchase Plan

wide bay australia ltd

FINANCIAL STATEMENTS

2010 » 2011

statement of comprehensive income

for the year ended 30 June 2011

	Note	CONSOLIDATED $ 2011	$ 2010	CHIEF ENTITY $ 2011	$ 2010
Interest revenue	2	**188,793,982**	159,137,212	**186,997,417**	157,642,901
Borrowing costs	2	**131,994,334**	104,435,930	**132,171,411**	104,603,423
Net interest revenue		**56,799,648**	54,701,282	**54,826,006**	53,039,478
Share of profit of associate	11	**875,000**	700,000	**875,00**	700,000
Other non interest revenue	3	**15,015,933**	15,555,335	**11,987,190**	13,378,936
Employee benefits expense		**15,742,735**	14,734,108	**15,742,735**	14,734,108
Depreciation expense		**1,484,136**	1,666,546	**1,413,530**	1,595,986
Amortisation expense		**363,606**	348,353	**363,606**	348,353
Occupancy expense		**2,344,844**	2,294,243	**2,445,188**	2,419,060
Bad and doubtful debts expense	10	**219,653**	606,603	**204,135**	288,399
Other expenses	3	**19,905,012**	19,420,170	**16,572,043**	17,792,676
Profit before income tax		**32,630,595**	31,886,594	**30,946,959**	29,939,832
Income tax expense	4	**10,009,224**	9,618,346	**8,892,449**	8,280,869
Profit from continuing operations		**22,621,371**	22,268,248	**22,054,510**	21,658,963
Other comprehensive income					
Revaluation of RMBS investments to fair value		**238,162**	-	**238,162**	-
Less deferred tax relating to comprehensive income		**(71,448)**	-	**(71,448)**	-
Other comprehensive income for the year		**166,714**	-	**166,714**	-
Total comprehensive income for the year		**22,788,085**	22,268,248	**22,221,224**	21,658,963
Profit attributable to:					
Owners of the parent entity		**22,675,036**	**22,302,436**	**22,054,510**	**21,658,963**
Non-controlling		**(53,665)**	(34,188)	**-**	-
		22,621,371	22,268,248	**22,054,510**	21,658,963
Total comprehensive income attributable to:					
Owners of the parent entity		**22,841,750**	22,302,436	**22,221,224**	21,658,963
Non-controlling interests		**(53,665)**	(34,188)	**-**	-
		22,788,085	22,268,248	**22,221,224**	21,658,963
Earnings per share					
Basic earnings per share (cents per share)	29	**66.36**	70.54		
Diluted earnings per share (cents per share)	29	**66.36**	70.54		

statement of financial position

as at 30 June 2011

	Note	CONSOLIDATED $ 2011	$ 2010	CHIEF ENTITY $ 2011	$ 2010
ASSETS					
Cash and cash equivalents	6	**88,665,896**	89,170,509	**75,445,338**	67,691,995
Due from other financial institutions	7	**4,171,649**	82,899,729	**4,171,649**	82,899,729
Accrued receivables	8	**5,576,798**	20,711,433	**5,106,199**	20,100,628
Financial assets	9	**249,437,737**	195,176,010	**238,346,163**	189,445,095
Loans and advances	10	**2,278,964,727**	2,254,836,504	**2,281,563,533**	2,257,726,331
Other investments	11	**8,107,649**	7,831,508	**28,528,693**	28,252,552
Property, plant and equipment	12	**19,772,071**	20,510,077	**16,039,012**	16,706,412
Deferred income tax assets	13	**2,211,751**	2,994,597	**1,764,258**	1,489,840
Other assets	14	**9,927,638**	8,723,374	**9,532,732**	8,303,564
Goodwill	15	**42,057,110**	42,057,110	**43,316,012**	43,316,012
Total assets		**2,708,893,026**	2,724,910,851	**2,703,813,589**	2,715,932,158
LIABILITIES					
Deposits and short term borrowings	16	**1,453,950,919**	1,309,886,612	**1,459,419,862**	1,312,924,633
Due to other financial institutions	17	**-**	275,834,809	**-**	275,834,809
Payables and other liabilities	18	**34,371,538**	31,783,085	**31,537,905**	28,151,366
Securitised loans	10	**971,802,659**	903,600,893	**971,802,659**	903,600,893
Income tax payable	19	**1,527,456**	4,171,993	**1,527,456**	3,084,276
Deferred income tax liabilities	19	**4,214,289**	3,842,290	**3,721,221**	3,349,222
Provisions	20	**10,329,853**	10,204,477	**2,705,355**	2,430,587
Subordinated capital notes	21	**38,000,000**	25,000,000	**38,000,000**	25,000,000
Total liabilities		**2,514,196,714**	2,564,324,159	**2,508,714,458**	2,554,375,786
Net assets		**194,696,312**	160,586,692	**195,099,131**	161,556,372
EQUITY					
Parent entity interest in equity					
Contributed equity	22	**156,383,983**	124,647,825	**156,383,983**	124,647,825
Reserves	23	**16,034,170**	15,867,456	**16,034,170**	15,867,456
Retained profits		**22,802,361**	20,541,948	**22,680,978**	21,041,091
Total parent entity interest in equity		**195,220,514**	161,057,229	**195,099,131**	161,556,372
Non-controlling interests	24				
Contributed equity		**1,000**	1,000		
Retained profits		**(525,202)**	(471,537)		
Total non-controlling interests		**(524,202)**	(470,537)		
Total equity		**194,696,312**	160,586,692	**195,099,131**	161,556,372

statement of cash flows

for the year ended
30 June 2011

	Note	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
CASH FLOWS FROM OPERATING ACTIVITIES					
Interest received		**189,987,747**	158,778,562	**187,041,681**	157,284,251
Dividends received		**719,009**	500,221	**2,619,009**	3,000,221
Borrowing costs		**(126,414,340)**	(103,706,676)	**(126,591,417)**	(103,874,169)
Other non interest income received		**9,267,021**	18,571,936	**10,080,831**	11,171,489
Cash paid to suppliers and employees		**(35,085,252)**	(38,066,676)	**(36,749,946)**	(38,361,399)
Income tax paid		**(12,276,583)**	(7,310,520)	**(10,189,444)**	(7,047,655)
Net cash flows from operating activities	25	**26,197,602**	28,766,847	**26,210,714**	22,172,738
CASH FLOWS FROM INVESTING ACTIVITIES					
Net increase in investment securities		**(48,380,762)**	(59,587,250)	**(43,020,103)**	(53,856,335)
Net increase in amounts due from other financial institutions		**73,085,277**	(63,591,014)	**73,085,277**	(63,591,014)
Net increase in loans		**(26,492,791)**	(115,266,972)	**(26,201,771)**	(114,714,714)
Net increase in other investments		**(135,000)**	(150,002)	**(135,000)**	(4,650,002)
Purchase of non current assets		**(1,109,736)**	(477,456)	**(1,109,736)**	(473,231)
Proceeds from sale of property, plant and equipment		**1,000**	-	**1,000**	-
Net cash used in investing activities		**(3,032,012)**	(239,072,694)	**2,619,667**	(237,285,296)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net increase in deposits and other borrowings		**143,088,529**	61,879,498	**145,519,452**	57,017,049
Purchase (redemption) of subordinated capital notes		**13,000,000**	-	**13,000,000**	-
Net increase in amounts due to other financial institutions and other liabilities		**(190,858,113)**	171,882,378	**(190,858,113)**	171,959,769
Proceeds from share issue		**25,133,233**	904,971	**25,295,476**	904,971
Dividends paid		**(14,033,852)**	(13,363,567)	**(14,033,853)**	(13,363,568)
Net cash flows from financing activities		**(23,670,203)**	221,303,280	**(21,077,038)**	216,518,221
NET INCREASE/(DECREASE) IN CASH HELD		**(504,613)**	10,997,433	**7,753,343**	1,405,663
Cash at beginning of financial year		**89,170,509**	78,173,076	**67,691,995**	66,286,332
CASH AT END OF FINANCIAL YEAR		**88,665,896**	89,170,509	**75,445,338**	67,691,995

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 2011

CONSOLIDATED	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 2009	117,814,059	17,733,024	4,969,636	5,833,939	2,676,071	2,387,810	-	(436,349)	150,978,190
Total comprehensive income for year:									
Profit attributable to members of parent company	-	22,302,436	-	-	-	-	-	-	22,302,436
Profit attributable to non-controlling interests	-	-	-	-	-	-	-	(34,188)	(34,188)
Subtotal	117,814,059	40,035,460	4,969,636	5,833,939	2,676,071	2,387,810	-	(470,537)	173,246,438
Issue of share capital for staff share plan	703,822	-	-	-	-	-	-	-	703,822
Issue of share capital for dividend reinvestment plan	6,129,944	-	-	-	-	-	-	-	6,129,944
Dividends provided for or paid - ordinary shares	-	(19,493,512)	-	-	-	-	-	-	(19,493,512)
Balance at 30 June 2010	**124,647,825**	**20,541,948**	**4,969,636**	**5,833,939**	**2,676,071**	**2,387,810**	**-**	**(470,537)**	**160,586,692**
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**

statement of changes in equity continued

for the year ended 30 June 2011

CHIEF ENTITY	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 2009	117,814,059	18,875,640	4,969,636	5,833,939	2,676,071	2,387,810	-	-	152,557,155
Total comprehensive income for year:									
Profit attributable to members of parent company	-	21,658,963	-	-	-	-	-	-	21,658,963
Subtotal	117,814,059	40,534,603	4,969,636	5,833,939	2,676,071	2,387,810	-	-	174,216,118
Issue of share capital for staff share plan	703,822	-	-	-	-	-	-	-	703,822
Issue of share capital for dividend reinvestment plan	6,129,944	-	-	-	-	-	-	-	6,129,944
Dividends provided for or paid - ordinary shares	-	(19,493,512)	-	-	-	-	-	-	(19,493,512)
Balance at 30 June 2010	**124,647,825**	**21,041,091**	**4,969,636**	**5,833,939**	**2,676,071**	**2,387,810**	**-**	**-**	**161,556,372**
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**

notes to the financial statements for the year ended 30 June 2011

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, hav'e 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.

note 1 continued

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 Tax 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

The society continued and will continue to insure the majority of new residential mortgage loans approved, in particular existing MRM insured borrowers and new loans less than 75% LVR, with the society's wholly owned subsidiary, Mortgage Risk Management Pty Ltd, a registered lender's mortgage insurer.

The society's general policy is to insure the majority of all other residential mortgage loans with Genworth Financial Mortgage Insurance Pty Limited.

There are no loans on which interest is not being accrued and no specific provision for doubtful debts for any type of loan.

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 new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the group has decided not to early adopt. A discussion of those future requirements and their impact on the group follows:

- ***AASB 9:*** *Financial Instruments* (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013). This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The group has not yet determined any potential impact on the financial statements.

  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;

note 1 continued

- 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.

- ***AASB 124:*** *Related Party Disclosures* (applicable for annual reporting periods commencing on or after 1 January 2011). This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a "related party" to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the group.

- ***AASB 1053:*** *Application of Tiers of Australian Accounting Standards* and ***AASB 2010-2:*** *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

  AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements.

  Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

  The following entities are required to apply Tier 1 reporting requirements (ie full IFRS):

- for-profit private sector entities that have public accountability; and
- the Australian Government and state, territory and local governments.

  Since the group is a for-profit private sector entity that has public accountability, it does not qualify for the reduced disclosure requirements for Tier 2 entities.

- ***AASB 2010-2*** makes amendments to Australian Accounting Standards and Interpretations to give effect to the reduced disclosure requirements for Tier 2 entities. It achieves this by specifying the disclosure paragraphs that a Tier 2 entity need not comply with as well as adding specific "RDR" disclosures.

- ***AASB 2009-12:*** *Amendments to Australian Accounting Standards* [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011). This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the group.

- ***AASB 2009-14:*** *Amendments to Australian Interpretation* - Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011). This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan. This Standard is not expected to impact the group.

- ***AASB 2010-4:*** *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011). This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. Key changes include:

- clarifying the application of AASB 108 prior to an entity's first Australian-Accounting-Standards financial statements;
- adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- amending AASB 101 to the effect that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes; adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and making sundry editorial amendments to various Standards and Interpretations.

  This Standard is not expected to impact the group.

- ***AASB 2010-5:*** *Amendments to Australian Accounting Standards* [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011). This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

- ***AASB 2010-6:*** *Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets* [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011). This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets. This Standard is not expected to impact the group.

- ***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] (applies to periods beginning on or after 1 January 2013). This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9. As noted above, the group has not yet determined any potential impact on the financial statements from adopting AASB 9.

- ***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. The amendments brought in by this Standard introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140: Investment Property.

  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 brought in by this Standard also incorporate Interpretation 121 into AASB 112. The amendments are not expected to impact the group.

- ***AASB 2010-9:*** *Amendments to Australian Accounting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* [AASB 1] (applies to periods beginning on or after 1 July 2011). This Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards.

  The amendments brought in by this Standard provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards. Furthermore, the amendments brought in by this Standard also provide guidance for entities emerging from severe hyperinflation either to resume presenting Australian-Accounting-Standards financial statements or to present Australian-Accounting-Standards financial statements for the first time. This Standard is not expected to impact the group.

- ***AASB 2010-10:*** *Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters* [AASB 2009-11 & AASB 2010-7] (applies to periods beginning on or after 1 January 2013). This Standard makes amendments to AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9, and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

  The amendments brought in by this Standard ultimately affect AASB 1: First-time Adoption of Australian Accounting Standards and provide relief for first-time adopters from having to reconstruct transactions that occurred before their transition date. [The amendments to AASB 2009-11 will only affect early adopters of AASB 2009-11 (and AASB 9: Financial Instruments that was issued in December 2009) as it has been superseded by AASB 2010-7.] This Standard is not expected to impact the group.

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 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**	
INTEREST REVENUE 2010			
Deposits with other financial institutions	117,505,245	4,961,947	4.22
Investment securities	106,313,301	5,525,777	5.20
Loans and advances	2,255,968,405	148,061,488	6.56
Other	7,794,558	588,000	7.54
	2,487,581,509	159,137,212	6.40
BORROWING COSTS 2010			
Deposits from other financial institutions	1,142,013,350	50,406,928	4.41
Customer deposits	1,293,720,881	51,470,714	3.98
Subordinated notes	25,000,000	2,558,288	10.23
	2,460,734,231	104,435,930	4.24
Net interest revenue 2010		54,701,282	

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 $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Profit relating to mortgage insurance activities (also refer note 1.m)				
Premium revenue	**3,422,011**	3,941,671	**-**	-

note 3 continued

	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Included in the profit before income tax are the following revenue items:				
Other revenue				
Dividends				
Controlled entities	**-**	-	**1,900,000**	2,500,000
Other corporations	**150**	145	**150**	145
Fees and commissions	**9,128,280**	9,967,444	**9,128,280**	9,967,444
Revaluation of investment securities to fair value	**1,149,502**	-	**-**	-
Other revenue	**1,315,990**	1,646,075	**958,760**	911,347
	15,015,933	15,555,335	**11,987,190**	13,378,936
The profit before income tax is arrived at after charging the following items:				
Other expenses				
Fees and commissions	**8,773,908**	9,557,372	**8,773,908**	9,557,372
Provisions for employee entitlements	**415,185**	89,000	**415,185**	89,000
General and administration expenses	**7,872,669**	8,683,247	**7,382,950**	8,146,304
Underwriting expenses	**2,843,250**	1,090,551	**-**	-
	19,905,012	19,420,170	**16,572,043**	17,792,676

note 4

INCOME TAX

	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Major components of tax expense for the year are:				
Current income tax	**8,880,942**	9,000,019	**8,704,073**	7,930,877
Deferred income tax	**1,128,282**	618,327	**188,376**	349,992
Income tax reported in income statement	**10,009,224**	9,618,346	**8,892,449**	8,280,869
The prima facie tax on profit before income tax differs from the income tax provided as follows:				
Prima facie tax on profit before income tax at 30% (2010 - 30%)	**9,789,178**	9,565,978	**9,284,088**	8,981,950
Tax effect of permanent differences				
Depreciation of buildings	**46,826**	45,823	**46,826**	45,823
Franked dividends	**(215,703)**	(150,066)	**(215,703)**	(150,066)
Other items - net	**130,782**	121,483	**89,097**	118,034
Intra-group dividend (MRM)	**-**	-	**(570,000)**	(750,000)
Underprovision for taxation in prior year	**258,141**	35,128	**258,141**	35,128
Income tax expense attributable to profit from ordinary activities	**10,009,224**	9,618,346	**8,892,449**	8,280,869

note 5

DIVIDENDS PAID

	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Dividends paid during the year				
Interim for current year Fully franked dividend on ordinary shares	**10,494,251**	10,120,928	**10,494,251**	10,120,928
Final for previous year Fully franked dividend on ordinary shares	**9,920,372**	9,372,584	**9,920,372**	9,372,584
	20,414,623	19,493,512	**20,414,623**	19,493,512

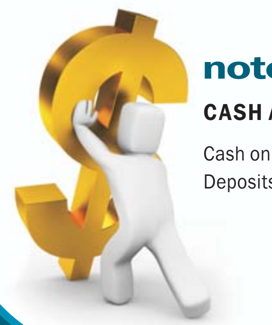
In accordance with Accounting Standards, dividends are only provided for as declared or paid. Subsequent to the reporting date, the Board declared a dividend of 30 cents per ordinary share ($10.605 million), for the six months to 30 June 2011, payable on 04 October 2011.

The final dividend for the six months to 30 June 2010 ($9.920 million) was paid on 05 October 2010, and was disclosed in the 2009/10 financial accounts in accordance with Accounting Standards.

The tax rate at which the dividends have been franked is 30% (2010 - 30%).

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

	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Balance as at the end of the financial year	**10,922,565**	7,974,317	**10,922,565**	7,974,317
Credits that will arise from the payment of income tax payable per the financial statements	**1,527,456**	4,171,993	**1,527,456**	4,171,993
Debits that will arise from the payment of the proposed dividend	**(4,544,861)**	(4,251,588)	**(4,544,861)**	(4,251,588)
	7,905,160	7,894,722	**7,905,160**	7,894,722
Dividends - cents per share				
Dividend proposed				
Fully franked dividend on ordinary shares	**30.0**	31.0	**30.0**	31.0
Interim dividend paid during the year				
Fully franked dividend on ordinary shares	**30.0**	32.0	**30.0**	32.0
Final dividend paid for the previous year				
Fully franked dividend on ordinary shares	**31.0**	30.0	**31.0**	30.0



note 6

CASH AND CASH EQUIVALENTS

	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Cash on hand and at banks	**23,559,627**	26,794,812	**23,545,338**	26,791,995
Deposits on call	**65,106,269**	62,375,697	**51,900,000**	40,900,000
	88,665,896	89,170,509	**75,445,338**	67,691,995

note 7

DUE FROM OTHER FINANCIAL INSTITUTIONS

	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Bank term deposits	**50,002**	78,778,082	**50,002**	78,778,082
Deposits with SSP's	**3,997,062**	3,997,062	**3,997,062**	3,997,062
Subordinated loans	**124,585**	124,585	**124,585**	124,585
	4,171,649	82,899,729	**4,171,649**	82,899,729
Maturity analysis				
Up to 3 months	**-**	63,971,111	**-**	63,971,111
From 3 to 12 months	**50,002**	14,756,971	**50,002**	14,756,971
From 1 to 5 years	**-**	50,000	**-**	50,000
No maturity specified	**4,121,647**	4,121,647	**4,121,647**	4,121,647
	4,171,649	82,899,729	**4,171,649**	82,899,729

note 8

ACCRUED RECEIVABLES

	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Interest receivable	**1,987,615**	2,017,352	**1,987,615**	2,017,352
Securitisation receivables	**2,385,635**	17,687,968	**2,385,634**	17,687,968
Other	**1,203,548**	1,006,113	**732,950**	395,308
	5,576,798	20,711,433	**5,106,199**	20,100,628

note 9

FINANCIAL ASSETS

	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Financial assets held to maturity				
Bills of exchange and promissory notes	**28,377,319**	51,592,387	**28,377,318**	51,592,387
Certificates of deposit	**98,510,559**	27,671,515	**98,510,559**	27,671,515
Financial assets available for sale				
RMBS Investments	**32,379,267**	23,414,878	**32,379,267**	23,414,878
Financial assets at fair value through profit and loss				
Investments in Floating Rate Notes	**11,091,573**	5,730,915	**-**	-
Financial assets at amortised cost				
Notes - Securitisation program and other	**79,079,019**	86,766,315	**79,079,019**	86,766,315
	249,437,737	195,176,010	**238,346,163**	189,445,095
Maturity analysis				
Up to 3 months	**79,472,982**	86,949,512	**79,472,982**	86,949,512
From 3 to 12 months	**80,294,162**	15,729,268	**79,794,162**	15,729,268
From 1 to 5 years	**10,591,574**	5,730,915	**-**	-
Later than 5 years	**79,079,019**	86,766,315	**79,079,019**	86,766,315
	249,437,737	195,176,010	**238,346,163**	189,445,095

note 10

LOANS AND ADVANCES

	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Term loans	**1,727,230,224**	1,718,078,820	**1,727,289,735**	1,718,078,820
Loans to controlled entities	**-**	-	**2,524,710**	3,150,820
Continuing credit loans	**552,247,618**	536,819,424	**552,247,618**	536,819,424
Leases receivable	**74,403**	352,055	**-**	-
	2,279,552,245	2,255,250,299	**2,282,062,063**	2,258,049,064
Provision for impairment	**(587,518)**	(413,795)	**(498,530)**	(322,733)
Total loans	**2,278,964,727**	2,254,836,504	**2,281,563,533**	2,257,726,331
Provision for impairment				
Specific provision				
Opening balance	**(413,795)**	(124,776)	**(322,733)**	(34,672)
Bad and doubtful debts provided for during the year	**(173,723)**	(289,019)	**(175,797)**	(288,061)
Total provision for impairment	**(587,518)**	(413,795)	**(498,530)**	(322,733)
Charge to profit and loss for bad and doubtful debts comprises:				
Specific provision	**(173,723)**	(289,019)	**(175,797)**	(288,061)
Bad debts recognised directly	**(45,930)**	(317,584)	**(28,338)**	(338)
	(219,653)	(606,603)	**(204,135)**	(288,399)
Maturity analysis				
Up to 3 months	**1,916,452**	1,626,753	**1,913,509**	1,613,860
From 3 to 12 months	**3,047,721**	288,891	**3,008,518**	151,052
From 1 to 5 years	**36,013,803**	37,876,993	**35,981,426**	37,675,549
Later than 5 years	**2,237,986,751**	2,215,043,867	**2,240,660,080**	2,218,285,870
	2,278,964,727	2,254,836,504	**2,281,563,533**	2,257,726,331

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 $971.803 million (30 June 2010 - $903.601 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 $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Unlisted shares - at Directors' valuation	**636,506**	501,506	**636,386**	501,386
Controlled entities - at cost	**-**	-	**20,421,164**	20,421,164
Investment in associate	**7,471,143**	7,315,002	**7,471,143**	7,315,002
Interest in joint venture - at cost	**-**	15,000	**-**	15,000
	8,107,649	7,831,508	**28,528,693**	28,252,552

Investment in controlled entities comprises:

Name	Country of incorporation	June 2011 %	June 2010 %	Contribution to consolidated operating profit after income tax 2011	Contribution to consolidated operating profit after income tax 2010	Investment carrying value 2011	Investment carrying value 2010
Chief entity							
Wide Bay Australia Ltd	Australia			**19,279,510**	18,458,963		
Controlled entities							
Mortgage Risk Management Pty Ltd	Australia	**100**	100	**2,331,974**	2,881,836	**20,420,000**	20,420,000
Wide Bay Australia Mini Lease Pty Ltd	Australia	**51**	51	**(55,855)**	(35,584)	**1,041**	1,041
MPBS Insurance Pty Ltd	Australia	**100**	100	**-**	-	**2**	2
MPBS Holdings Pty Ltd	Australia	**100**	100	**244,407**	297,221	**1**	1
F.I. Software Solutions Pty Ltd	Australia	**100**	100	**-**	-	**120**	120
				2,520,526	3,143,473	**20,421,164**	20,421,164
Investment in associate comprises:							
Financial Technology Securities Pty Ltd	Australia	**25**	25	**875,000**	700,000	**7,471,143**	7,315,002
				22,675,036	22,302,436	**27,892,307**	27,736,166

The carrying amounts of unlisted shares were reassessed by the Directors as at 30 June 2011 with the reassessments being based on the projections of the current market values of the shares.

note 11 continued

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.

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.

MRM was restructured in the 2008/2009 financial year in light of the deterioration in credit ratings of MRM's reinsurer, Radian Guaranty Inc ("Radian") and the unavailability of a suitable alternative. The company will use MRM and Genworth Financial Mortgage Insurance Pty Limited for mortgage insurance on future lending.

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.

Financial Technology Securities

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

	$ June 2011	$ June 2010
Share of associate's balance sheet:		
Current Assets	**851,600**	712,931
Non-current assets	**651,880**	667,714
Current Liabilities	**(548,980)**	(535,615)
Non-current liabilities	**-**	-
Net Assets	**954,500**	845,030
Share of associate's revenue and profit:		
Revenue	**2,880,909**	2,596,460
Profit before income tax	**1,013,337**	974,056
Adjustment of accrual	**148,661**	36,563
Income tax	**(286,998)**	(310,619)
Profit after income tax	**875,000**	700,000

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 $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Freehold land and buildings				
At independent valuation - June 2009	**12,655,000**	12,655,000	**12,655,000**	12,655,000
Provision for depreciation	**505,850**	252,925	**505,850**	252,925
Land and buildings - 73 Victoria St Mackay	**3,870,000**	3,870,000	**-**	-
At independent valuation - July 2009				
Land and buildings - 73 Victoria St Mackay	**4,225**	4,225	**-**	-
At cost				
Provision for depreciation	**141,166**	70,560	**-**	-
	15,882,209	16,205,740	**12,149,150**	12,402,075
Movement in carrying amount				
Carrying amount at beginning of year	**16,205,740**	16,525,000	**12,402,075**	12,655,000
Additions	**-**	4,225	**-**	-
Depreciation	**323,531**	323,485	**252,925**	252,925
Carrying amount at end of year	**15,882,209**	16,205,740	**12,149,150**	12,402,075
Plant and equipment				
At cost	**24,557,266**	23,490,456	**24,557,266**	23,490,456
Provision for depreciation	**20,667,404**	19,186,119	**20,667,404**	19,186,119
	3,889,862	4,304,337	**3,889,862**	4,304,337
Movement in carrying amount				
Carrying amount at beginning of year	**4,304,337**	5,651,951	**4,304,337**	5,651,951
Additions	**1,109,736**	343,799	**1,109,736**	343,799
Depreciation	**1,524,211**	1,691,413	**1,524,211**	1,691,413
Carrying amount at end of year	**3,889,862**	4,304,337	**3,889,862**	4,304,337
	19,772,071	20,510,077	**16,039,012**	16,706,412

The land and buildings at 73 Victoria Street Mackay were acquired with the purchase of shares in Mackay Permanent Building Society Ltd. The land and buildings were valued at 29 July 2009 by certified practising valuer, Barry Deacon AAPI of Herron Todd White.

All other land and buildings were revalued as at 30 April 2009 by independent registered valuers Jim Webb AAPI and Brad Hooper AAPI of Propell National Valuers.

The valuations were based on current market values.

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

note 13

DEFERRED INCOME TAX ASSETS

	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Deferred income tax assets are attributable to:				
Employee leave provisions	**782,878**	713,700	**782,878**	713,700
Other provisions	**176,255**	124,139	**149,559**	96,820
Property, plant and equipment	**572,643**	529,549	**546,122**	386,293
Takeover expenses	**-**	18,166	**-**	18,166
Unrealised losses on investments	**451,361**	1,425,622	**-**	-
MPBS project costs	**114,605**	240,690	**114,605**	240,690
Share issue costs	**129,794**	-	**129,794**	-
Other items	**(15,785)**	(57,269)	**41,300**	34,171
	2,211,751	2,994,597	**1,764,258**	1,489,840

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 $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Prepayments	**9,927,638**	8,723,374	**9,532,732**	8,303,564
	9,927,638	8,723,374	**9,532,732**	8,303,564

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		CHIEF ENTITY	
	$ 2011	$ 2010	**$ 2011**	$ 2010
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

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 2011 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 2011 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 4.6%;

iii) the net present value discount rate used in the impairment testing was 5.149% which represents the cost of funds to the consolidated group at 30 June 2011.

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 6.58% over the previous 5 years.

note 16

DEPOSITS AND SHORT TERM BORROWINGS

	CONSOLIDATED		CHIEF ENTITY	
	$ 2011	$ 2010	**$ 2011**	$ 2010
Call deposits	**392,557,682**	385,587,924	**398,026,626**	388,625,945
Term deposits	**1,061,393,237**	924,298,688	**1,061,393,236**	924,298,688
	1,453,950,919	1,309,886,612	**1,459,419,862**	1,312,924,633
Maturity analysis				
On call	**444,452,900**	435,958,703	**449,921,843**	438,996,724
Up to 3 months	**591,970,492**	319,790,990	**591,970,492**	319,790,990
From 3 to 12 months	**339,799,950**	522,875,023	**339,799,950**	522,875,023
From 1 to 5 years	**77,677,577**	31,261,896	**77,677,577**	31,261,896
Later than 5 years	**50,000**	-	**50,000**	-
	1,453,950,919	1,309,886,612	**1,459,419,862**	1,312,924,633

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

note 17

DUE TO OTHER FINANCIAL INSTITUTIONS

	CONSOLIDATED		CHIEF ENTITY	
	$ 2011	$ 2010	**$ 2011**	$ 2010
Secured loans	**-**	275,834,809	**-**	275,834,809
Maturity analysis				
Up to 3 months	**-**	72,408,925	**-**	72,408,925
From 3 to 12 months	**-**	203,425,884	**-**	203,425,884
	-	275,834,809	**-**	275,834,809

The loans to the chief entity are secured by charges held over internally securitised registered mortgage documents. The carrying amount of these mortgages is $Nil (2010 - $322,100,000).

note 18

PAYABLES AND OTHER LIABILITIES

	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Trade creditors	**3,291,299**	5,835,505	**3,291,299**	5,835,505
Accrued interest payable	**21,631,626**	15,892,158	**21,631,626**	15,892,158
Other creditors	**9,448,613**	10,055,422	**6,614,980**	6,423,703
	34,371,538	31,783,085	**31,537,905**	28,151,366
Maturity analysis				
Up to 3 months	**24,868,635**	21,393,908	**22,035,000**	17,762,189
From 3 to 12 months	**7,947,674**	9,860,141	**7,947,676**	9,860,141
From 1 to 5 years	**1,554,229**	529,036	**1,554,229**	529,036
Later than 5 years	**1,000**	-	**1,000**	-
	34,371,538	31,783,085	**31,537,905**	28,151,366

note 19

DEFERRED INCOME TAX LIABILITIES

	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Provision for taxation	**1,527,456**	4,171,993	**1,527,456**	3,084,276
Deferred income tax liabilities are attributable to:				
Asset revaluation reserve	**2,622,912**	2,622,912	**2,129,844**	2,129,844
Prepayments	**813,997**	553,922	**813,997**	553,922
Equity accounting revenue	**354,894**	308,051	**354,894**	308,051
Accrued interest	**102,106**	136,141	**102,106**	136,141
MPBS acquisition adjustments	**184,387**	221,264	**184,387**	221,264
Visa debit card costs	**64,545**	-	**64,545**	-
Special reserve	**71,448**	-	**71,448**	-
	4,214,289	3,842,290	**3,721,221**	3,349,222
	5,741,745	8,014,283	**5,248,677**	6,433,498

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.

note 20

PROVISIONS

	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Employee entitlements				
Balance at beginning of year	**2,379,000**	2,290,000	**2,379,000**	2,290,000
Annual leave and long service leave provided for during the year	**230,593**	89,000	**230,593**	89,000
Balance at end of year	**2,609,593**	2,379,000	**2,609,593**	2,379,000
Unearned direct premiums and outstanding claims				
Balance at beginning of year	**7,773,888**	8,267,869	**-**	-
Transfers to the provision during the year	**3,175,426**	3,199,430	**-**	-
Payments from the provision during the year	**3,324,816**	3,693,410	**-**	-
Balance at end of year	**7,624,498**	7,773,889	**-**	-

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 $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Other provisions	**95,762**	51,588	**95,762**	51,587
Total provisions	**10,329,853**	10,204,477	**2,705,355**	2,430,587

note 21

SUBORDINATED CAPITAL NOTES

	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Inscribed debenture stock	**38,000,000**	25,000,000	**38,000,000**	25,000,000
Maturity analysis				
Up to 3 months	**38,000,000**	25,000,000	**38,000,000**	25,000,000

note 22

CONTRIBUTED EQUITY

	SHARES JUNE 2011		SHARES JUNE 2010	
	No.	$	No.	$
Fully paid ordinary shares				
All ordinary shares have equal voting, dividend and capital repayment rights.				
Balance at beginning of year	**32,001,199**	**124,647,825**	31,241,947	117,814,059
Issued during the year				
Staff share plan	**108,996**	**1,003,853**	84,594	703,822
Dividend reinvestment plan	**681,375**	**6,381,297**	674,658	6,129,944
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	**35,348,920**	**156,383,983**	32,001,199	124,647,825

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

17 December 2010 - 108,996 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		CHIEF ENTITY	
	June 2011	June 2010	June 2011	June 2010
The total number of shares issued to employees since the inception of the staff share plan was	**2,343,945**	2,234,949	**2,343,945**	2,234,949
The total number of shares issued to employees during the financial year was	**108,996**	84,594	**108,996**	84,594
	$	$	**$**	$
The total market value at date of issue, 17 December 2010 (24 November 2009) was	**1,179,337**	786,724	**1,179,337**	786,724
The total amount paid or payable for the shares at that date was	**1,003,853**	703,822	**1,003,853**	703,822

note 22 continued

Dividend Reinvestment Plan (DRP)

05 October 2010 - 313,295 ordinary shares were issued.
30 March 2011 - 368,080 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 05 October 2010 and 30 March 2011 were issued at a discount of 7.5% 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 23

RESERVES

	CONSOLIDATED		CHIEF ENTITY	
	$ 2011	$ 2010	$ 2011	$ 2010
Movements in reserves				
Available for sale reserve				
Balance at beginning of year	**-**	-	**-**	-
Increase due to revaluation of RMBS investments to mark-to-market	**238,162**	-	**238,162**	-
Deferred tax liability adjustment on revaluation of RMBS investments	**(71,448)**	-	**(71,448)**	-
Balance at end of year	**166,714**	-	**166,714**	-
The balance of this reserve represents the excess of the mark-to-market valuation over the original cost of the RMBS investments.				
Asset revaluation reserve				
Balance at end of year	**4,969,636**	4,969,636	**4,969,636**	4,969,636
The balance of this reserve represents the excess of the independent valuation over the original cost of the land and buildings.				
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.				

note 23 continued

	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
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.

	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
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.

	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Total reserves	**16,034,170**	15,867,456	**16,034,170**	15,867,456

note 24

OUTSIDE EQUITY INTEREST

Reconciliation of outside equity interest in controlled entities:

	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010
Opening balance	**(470,537)**	(436,349)
Share of operating (profit)/loss	**(53,665)**	(34,188)
Closing balance	**(524,202)**	(470,537)

note 25

CASH FLOW STATEMENT

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

	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Profit after tax from continuing operations	**22,621,371**	22,268,248	**22,054,510**	21,658,963
Depreciation and amortisation	**1,847,742**	2,014,898	**1,777,138**	1,944,338
Bad debts expense	**219,653**	606,603	**204,135**	288,399
(Profit)/Loss on disposal of non-current assets	**(1,000)**	-	**(1,000)**	-
(Increase)/Decrease in Assets				
Accrued interest on investments	**109,795**	(263,798)	**109,795**	(263,798)
Prepayments	**(1,080,975)**	(2,425,174)	**(1,080,975)**	(2,425,174)
Inventories	**(28,623)**	693	**(28,623)**	693
Sundry debtors	**(3,043,075)**	3,971,817	**3,879,644**	1,728,372
Future income tax benefit	**782,847**	149,715	**(274,418)**	(118,619)

note 25 continued

	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Increase/(Decrease) in Liabilities				
Increase in creditors and accruals	**6,250,036**	(306,090)	**80,319**	(2,315,756)
Increase in deferred tax payable	**372,000**	353,106	**372,000**	353,106
Increase in income tax payable	**(2,267,354)**	2,307,829	**(1,296,996)**	1,233,214
Increase in employee entitlement provisions	**415,185**	89,000	**415,185**	89,000
Net cash flows from operating activities	**26,197,602**	28,766,847	**26,210,714**	22,172,738

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 26

EXPENDITURE COMMITMENTS

	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Capital expenditure commitment				
Capital expenditure contracted for within one year	**75,902**	336,357	**75,902**	336,357
Lease expenditure commitments				
Non cancellable operating leases				
Up to 1 year	**1,910,165**	2,125,962	**1,910,165**	2,125,962
From 1 to 2 years	**1,262,849**	1,541,336	**1,262,849**	1,541,336
From 2 to 5 years	**1,466,785**	1,844,162	**1,466,785**	1,844,162
Total lease expenditure	**4,639,799**	5,511,460	**4,639,799**	5,511,460

note 27

EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS

	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Employee entitlements				
The aggregate employment entitlement liability is comprised of:				
Provisions - (note 20)	**2,609,593**	2,379,000	**2,609,593**	2,379,000

note 28

CONTINGENT LIABILITIES AND CREDIT COMMITMENTS

	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Approved but undrawn loans	**44,395,641**	51,023,606	**44,395,641**	51,023,606
Approved but undrawn credit limits	**120,542,447**	122,390,693	**120,542,447**	122,390,693
	164,938,088	173,414,299	**164,938,088**	173,414,299

note 29

EARNINGS PER SHARE

	$ 2011	$ 2010
Basic earnings per share (cents per share)	**66.36**	70.54
Diluted earnings per share (cents per share)	**66.36**	70.54

Information relating to the calculation of the earnings per share is as follows:	BASIC $ 2011	BASIC $ 2010	DILUTED $ 2011	DILUTED $ 2010
Calculation of numerator				
Net profit attributable to shareholders	**22,675,036**	22,302,436	**22,675,036**	22,302,436
Less dividends paid on preference shares	**-**	-	**-**	-
Numerator	**22,675,036**	22,302,436	**22,675,036**	22,302,436
Weighted average number of shares				
Ordinary shares	**34,168,810**	31,614,740	**34,168,810**	31,614,740
Potential ordinary shares	**-**	-	**-**	-
Total weighted average ordinary shares	**34,168,810**	31,614,740	**34,168,810**	31,614,740

note 30

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
JH Fell	Director - Non-executive - retired 14 December 2010
RE Hancock	Managing Director
FM McLeod	Executive Director and Chief Operating Officer
JF Pressler	Director - Non-executive
PJ Sawyer	Director - Non-executive

note 30 continued

ii) Executives

IR Pokarier	Operations Manager - retired 29 October 2010
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 - appointed 01 November 2010

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 $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Remuneration for the year ended 30 June 2010				
Short term benefits				
Cash salary and fees	**2,675,226**	2,377,679	**2,675,226**	2,377,679
Cash bonus	**-**	-	**-**	-
Non-monetary	**69,131**	62,834	**69,131**	62,834
Post employment benefits				
Superannuation	**314,810**	336,688	**314,810**	336,688
Retirement benefits	**94,313**	-	**94,313**	-
Termination benefits	**-**	-	**-**	-
Share based payments	**-**	-	**-**	-
Other long term benefits	**-**	-	**-**	-
	3,153,480	2,777,201	**3,153,480**	2,777,201

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 Benchmark Interest Rate for the Fringe Benefits Tax year as set by the Australian Taxation Office. This Benchmark 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 30 continued

	$ Balance 01 July 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 01 July 2009	$ Interest Charged	$ Write-off	**$ Balance 30 June 2010**	Number in Group 30 June 2010
Loans for the year ended 30 June 2010					
Directors	(2,089,791)	44,461	-	**(2,004,004)**	3
Executives	(2,003,196)	126,596	-	**(2,524,581)**	5
Total: Key management personnel	(4,092,987)	171,057	-	**(4,528,585)**	8

	$ Balance 01 July 2010	$ Interest* Charged	$ Write-off	**$ Balance 30 June 2011**	$ Highest in period
Individuals with loans above $100,000 in reporting period ^					
Directors					
JH Fell	(493,122)	11,622	-	**(491,664)**	(493,122)
RE Hancock	(1,228,884)	30,892	-	**(1,261,014)**	(1,343,024)
FM McLeod	(281,998)	13,177	-	**(291,474)**	(311,404)
Executives					
IR Pokarier - as at 29 October 2010	(456,542)	20,084	-	**(434,924)**	(452,067)
WR Schafer	(912,932)	46,105	-	**(516,377)**	(923,608)
DA Hancock	(604,817)	37,835	-	**(607,058)**	(616,167)
SV Butler	(550,290)	37,766	-	**(542,875)**	(550,290)

^ 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 has been provided to Edals Investments Pty Ltd during the year. 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 2011 was $3,547,712.24.

note 30 continued

d) Equity holdings and transactions

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

	Balance 01 July 2010	Received as Remuneration	Options Exercised	Net Change Other	**Balance 30 June 2011**
Directors					
JS Humphrey	30,000	-	-	1,551	**31,551**
JH Fell	422,531	-	-	(11,217)	**411,314**
RE Hancock	2,031,490	-	-	61,666	**2,093,156**
FM McLeod	117,820	-	-	10,501	**128,321**
JF Pressler	-	-	-	-	**-**
PJ Sawyer	592,512	-	-	11,000	**603,512**
Executives					
IR Pokarier	330,388	-	-	n/a	**n/a**
WR Schafer	3,500	-	-	2,250	**5,750**
DA Hancock	71,634	-	-	4,882	**76,516**
SV Butler	4,750	-	-	500	**5,250**
AR Ashton	14,454	-	-	5,005	**19,459**
SM Caville	n/a	-	-	-	**21,474**
Total	3,619,079	-	-	86,138	**3,396,303**

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	
	$ 2011	$ 2010	**$ 2011**	$ 2010
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: Issue of subordinated floating rate note - $28,185 2: Share Placement and Share Purchase Plan - $14,617	**42,082**	4,421	**42,082**	4,421

note 31

REMUNERATION OF AUDITORS

	CONSOLIDATED $ 2011	CONSOLIDATED $ 2010	CHIEF ENTITY $ 2011	CHIEF ENTITY $ 2010
Amounts received or due and receivable by the auditors of the chief entity - Bentleys Brisbane Partnership, are as follows:				
Audit or review of the financial statements of the entity and any other entity in the economic entity	**148,207**	115,607	**148,207**	115,607
Tax returns (including subsidiaries)	**17,741**	5,786	**17,741**	5,786
Tax advice	**8,219**	11,725	**8,219**	11,725
Other services	**23,230**	8,219	**23,230**	8,219
Accrual adjustment	**6,603**	3,663	**6,603**	3,663
	204,000	145,000	**204,000**	145,000
Amounts received or due and receivable by the auditors of Mortgage Risk Management Pty Ltd - KPMG, are as follows:				
Audit or review of the financial statements of the entity	**25,500**	25,000	**-**	-
Other regulatory audit services (APRA Return)	**10,500**	10,000	**-**	-
	36,000	35,000	**-**	-
KPMG related practices:				
Other regulatory audit services	**11,600**	11,200	**-**	-
	11,600	11,200	**-**	-
	251,600	191,200	**204,000**	145,000

note 32

EVENTS SUBSEQUENT TO BALANCE DATE

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

note 33

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 34

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 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. APRA requires the capital adequacy ratio for the group to be maintained above 12% plus a 1% buffer. During the 2011 and 2010 financial years the consolidated and chief entity complied with APRA's prescribed minimum capital requirements at all times.

The capital adequacy calculations at 30 June 2011 and 30 June 2010 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.

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

	CONSOLIDATED $ June 2011	CONSOLIDATED $ June 2010	CHIEF ENTITY $ June 2011	CHIEF ENTITY $ June 2010
Total risk weighted assets	**974,294,081**	799,882,787	**972,360,789**	798,305,694
Capital base	**142,373,153**	98,584,203	**142,237,036**	98,582,973
Risk-based capital ratio	**14.61%**	12.32%	**14.63%**	12.35%

note 35 continued

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 $1,078,437 or increase by $1,078,437 (2010: decrease by $811,445 or increase by $811,445). 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 the majority of new residential mortgage loans, particularly in excess of 75% 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 over residential property.

The society has a diversified branch network consisting of 43 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.

note 35 continued

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 2011	$ June 2010	**$ June 2011**	$ June 2010
Less than 30 days	**60,322,697**	58,469,060	**60,320,496**	58,465,705
30 days and less than 60 days	**30,861,567**	24,925,788	**30,861,567**	24,923,337
60 days and less than 90 days	**18,773,820**	12,125,244	**18,773,820**	12,121,729
90 days and less than 182 days	**8,982,116**	5,456,942	**8,977,090**	5,224,695
182 days and less than 273 days	**1,960,317**	3,846,056	**1,957,904**	3,835,943
273 days and less than 365 days	**2,450,204**	381,007	**2,450,204**	354,269
365 days and over	**1,258,602**	1,039,001	**1,173,073**	758,249
	124,609,323	106,243,098	**124,514,154**	105,683,927

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:

	% 2011	% 2010
Queensland	**79.8**	80.00
New South Wales	**9.2**	9.0
Victoria	**9.1**	9.2
South Australia	**1.2**	1.2
Western Australia	**0.6**	0.4
Tasmania	**0.1**	0.1
Northern Territory	**-**	0.1
	100.0	100.0

note 35 continued

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 6.03% (2010 - 4.47%)
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 5.65% (2010 - 4.56%)
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 5.42% (2010 - 4.20%)
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 6.40% (2010 - 5.16%)
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.	The majority of new mortgage loans approved, in particular in excess of 75% LVR, are protected 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 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.
Due to other financial institutions	17	Amounts due to other financial institutions are initially recorded at cost, being fair value of the consideration received net of issue costs. Subsequently they are measured at amortised cost.	
Payables and other liabilities	18	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 2011 are disclosed in note 5.
Subordinated capital notes	21	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 continued

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:

	$ 2011	$ 2010
WB Trust 2010-1	**348,000**	-
WB Trust No.3	**147,000**	343,534
WB Trust No. 4	**30,054**	46,479
WB Trust 2009-1	**117,000**	477,960
WB Trust 2008-1	**170,000**	(141,484)
WB Trust 2006-1	**107,000**	233,566
WB Trust 2005-1	**82,000**	140,376
WB Trust 2004-1	**32,000**	118,343

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 in: from 1 to 5 years		Non interest bearing		Total carrying amount per balance sheet		Weighted average effective interest rate	
	$ 2011	$ 2010	**$ 2011**	$ 2010	**$ 2011**	$ 2010	**$ 2011**	$ 2010	**$ 2011**	$ 2010	**% 2011**	% 2010
Financial assets												
Cash and cash equivalents	**84,188,313**	83,821,169	**-**	-	**-**	-	**4,477,583**	5,349,340	**88,665,896**	89,170,509	**6.06**	4.65
Due from other financial institutions	**4,026,647**	4,026,647	**50,002**	78,778,082	**-**	-	**95,000**	95,000	**4,171,649**	82,899,729	**5.99**	4.24
Accrued receivables	**-**	-	**-**	-	**-**	-	**5,504,730**	20,667,988	**5,504,730**	20,667,988	**-**	-
Investment securities	**23,450,469**	17,807,665	**159,267,144**	102,678,780	**66,720,124**	74,689,565	**-**	-	**249,437,737**	195,176,010	**5.61**	4.53
Loans and advances	**2,009,174,848**	1,924,186,833	**124,871,930**	191,755,087	**145,505,467**	139,308,379	**-**	-	**2,279,552,245**	2,255,250,299	**7.51**	6.64
Other investments	**-**	-	**-**	-	**-**	-	**6,888,428**	6,597,287	**6,888,428**	6,597,287	**-**	-
Other assets	**-**	-	**-**	-	**-**	-	**9,532,066**	8,302,896	**9,532,066**	8,302,896	**-**	-
Total financial assets	**2,120,840,277**	2,029,842,314	**284,189,076**	373,211,949	**212,225,591**	213,997,944	**26,497,807**	41,012,511	**2,643,752,751**	2,658,064,718		
Financial liabilities												
Deposits and short term borrowings	**392,557,682**	383,798,069	**983,665,660**	894,826,647	**77,727,577**	31,261,896	**-**	-	**1,453,950,919**	1,309,886,612	**4.98**	3.99
Due to other financial institutions	**-**	-	**-**	275,834,808	**-**	-	**-**	-	**-**	275,834,809	**5.00**	4.38
Payables and other liabilities	**-**	-	**-**	-	**-**	-	**34,371,538**	31,783,085	**34,371,538**	31,783,085	**-**	-
Securitised loans	**856,537,272**	770,955,198	**53,234,522**	76,829,640	**62,030,865**	55,816,055	**-**	-	**971,802,659**	903,600,893	**5.18**	4.59
Provisions	**-**	-	**-**	-	**-**	-	**10,329,853**	10,204,477	**10,329,853**	10,204,477	**-**	-
Subordinated capital notes	**-**	-	**38,000,000**	25,000,000	**-**	-	**-**	-	**38,000,000**	25,000,000	**11.26**	10.23
Total financial liabilities	**1,249,094,954**	1,154,753,267	**1,074,900,182**	1,272,491,095	**139,758,442**	87,077,951	**44,701,391**	41,987,562	**2,508,454,969**	2,556,309,876		

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	
	$ 2011	$ 2010	$ 2011	$ 2010
Financial assets				
Cash and cash equivalents	**88,665,896**	89,170,509	**88,665,896**	89,170,509
Due from other financial institutions	**4,171,649**	82,899,729	**4,171,836**	83,195,147
Accrued receivables	**5,504,730**	20,667,988	**5,504,730**	20,667,988
Investment securities	**249,437,737**	195,176,010	**251,374,169**	196,449,685
Loans and advances	**2,279,552,245**	2,255,250,299	**2,282,748,742**	2,258,581,413
Other investments	**6,888,428**	6,597,287	**6,888,428**	6,597,287
Other assets	**9,532,066**	8,302,896	**9,532,066**	8,302,896
Total financial assets	**2,643,752,751**	2,658,064,718	**2,648,885,867**	2,662,964,925
Financial liabilities				
Deposits and short term borrowings	**1,453,950,919**	1,309,886,612	**1,448,854,593**	1,305,944,851
Due to other financial institutions	**-**	275,834,809	**-**	274,800,428
Payables and other liabilities	**34,371,538**	31,783,085	**34,371,538**	31,783,085
Securitised loans	**971,802,659**	903,600,893	**973,165,368**	904,935,556
Provisions	**10,329,853**	10,204,477	**10,329,853**	10,204,477
Subordinated capital notes	**38,000,000**	25,000,000	**38,000,000**	25,000,000
Total financial liabilities	**2,508,454,969**	2,556,309,876	**2,504,721,352**	2,552,668,397

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.

Investment securities - 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.

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.

note 35 continued

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 $000	Level 2 $000	Level 3 $000	Total $000
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 2011 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 2011.

Signed in accordance with a resolution of the Directors.

R E Hancock AM
Managing Director

J S Humphrey
Director

22 August 2011 - Bundaberg

independent auditor's report to the members of Wide Bay Australia Ltd

for the year ended 30 June 2011

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 2011, 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 18 August 2011, 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 2011 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 2011.

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 2011 complies with section 300A of the Corporations Act 2001.

Bentleys

Bentleys
Brisbane Partnership

22 August 2011
Brisbane

Martin Power

P M Power
Partner

DIRECTORS' STATUTORY REPORT

Review and Results of Operations

The consolidated net profit after income tax for the year was $22,675,036 - compared to $22,302,436 for 2009/2010 - an increase of 1.67%. Loans approved for the year totalled $308,279,720.

Principal Activities and Significant Changes

There have been no significant changes in the principal activities 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.

The society owns its own lender's mortgage insurance captive, Mortgage Risk Management Pty Ltd, ("MRM") which during 2010/2011 insured additional and the majority of new residential mortgage loans to our existing borrowers, as well as loans with 75% or less LVR. The majority of loans in excess of 75% LVR were insured with Genworth Financial Mortgage Insurance Pty Limited.

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

The number of full time equivalent employees at 30 June 2011 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 society.

Capital adequacy as at 30 June 2011 was 14.61%.

Likely Developments

The society is forecasting a further good result for 2011/2012, however the final results will be dependent on the activities of the housing sector which has over recent months showed a significant slowing.

We will continue to be active in maintaining our lending activities both from a competitors and products aspect. We will examine other avenues for increasing our lending volumes through an increased use of brokers and expect to develop some limited commercial lending during the year.

Business Strategies & Prospects for Future Financial Years

The society continues to focus on residential lending primarily through its own branches, and to a lesser extent, broker introduced loans.

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

Dividends

Ordinary Shares

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

- An interim fully franked dividend of 30 cents per ordinary share was paid on 30 March 2011 (26 March 2010 - 32 cents).
- A final fully franked dividend of 30 cents per ordinary share has been declared by the Directors and will be paid on 04 October 2011 (05 October 2010 - 31 cents).

Directors

The names and particulars of the Directors of the society 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, Mallesons Stephen Jaques, 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 56.

Mr John H Fell FCA, FIFS

Mr Fell was a Director and Secretary of the Gympie and North Coast Building Society from 1976 until merger with the society in 1981. He was a practising Chartered Accountant for many years. Mr Fell was Chairman of Mortgage Risk Management Pty Ltd, an independent Director, a member of the Audit Committee and a member of the Group Board Remuneration Committee. Mr Fell retired from the Board on 14 December 2010.

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 69.

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 society for over 36 years. She is a Director of Mortgage Risk Management Pty Ltd. Mrs McLeod is an executive Director and is aged 53.

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 following the retirement of Mr Fell. He is also a member of the Audit Committee, is an independent Director and Chairman of the Group Board Remuneration Committee. He is aged 69.

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, Hervey Bay, Maryborough 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. Mr Sawyer was appointed as a Director of Mortgage Risk Management Pty Ltd on 21 January 2011. He is aged 61.

The abovenamed Directors held office during the whole of the financial year, excluding John Fell who retired from the Board on 14 December 2010.

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, 7 meetings of the Audit Committee and 1 meeting 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	13	13	7	7	1	1
RE Hancock	13	13	7	7*	1	1 ^
JS Humphrey	13	13	7	7	1	1
FM McLeod	13	13	7	7*	n/a	n/a
PJ Sawyer	13	12	7	7	1	1
JH Fell (retired 14 December 2010)	7	6	3	3	1	1

* 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
JH Fell (retired 14 December 2010)	411,314
RE Hancock	2,093,156
JS Humphrey	31,551
FM McLeod	128,321
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 society. In each case the transactions have occurred within a normal supplier - customer relationship on conditions no more favourable than those available to other suppliers.

	$ 2011	$ 2010
Mallesons Stephen Jaques, a related party due to having a common Director being John S Humphrey, received fees for legal services and corporate advice 1: Issue of subordinated floating rate note 2: Share Placement and Share Purchase Plan totalling:	**42,082**	4,421

Remuneration Report

The fees payable for non-executive Directors are determined with reference to industry standards, the size of the society, 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 2010/11 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 and 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 society 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	2009/10	1,034,798		17,607	50,000					1,102,405
Managing Director	2010/11	1,143,278		34,436	50,000					1,227,714
McLeod, FM	2009/10	235,649		4,255	44,350					284,254
Director & Chief Operating Officer	2010/11	265,509		9,057	42,491					317,057
Humphrey, JS	2009/10	86,998			7,830					94,828
Chairman (non-exec)	2010/11	97,534			8,778					106,312
Fell, JH	2009/10	28,750			50,000					78,750
Director (non-exec)	2010/11				35,717					35,717
Pressler, JF	2009/10	80,234			10,000					90,234
Director (non-exec)	2010/11	68,750			10,000					78,750
Sawyer, PJ	2009/10	28,750			50,000					78,750
Director (non-exec)	2010/11	28,750			50,000					78,750
Total Remuneration - Specified Directors										
	2009/10	1,495,179		21,862	212,180					1,729,221
	2010/11	1,603,821		43,493	196,986					1,844,300

Remuneration Report continued

		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										
Pokarier, IR*	2009/10	246,000		4,912	50,000					300,912
Operations Manager	2010/11	188,535			27,684	94,313				310,532
Schafer, WR	2009/10	250,174		6,364	14,461					270,999
Chief Financial Officer	2010/11	284,800		4,025	15,200					304,025
Butler, SV	2009/10	136,881		11,160	14,461					162,502
Loans Manager	2010/11	159,287		805	15,200					175,292
Hancock, DA	2009/10	146,071		15,228	14,461					175,760
Manager - Structured Finance, Products and Interstate Operations	2010/11	186,363		8,090	15,200					209,653
Ashton, AR	2009/10	103,374		3,308	31,125					137,807
Internal Auditor	2010/11	109,337		5,675	31,662					146,674
Caville, SM *Chief Information Officer*	2010/11	143,083		7,043	12,878					163,004
Total Remuneration - Specified Executives										
	2009/10	882,500		40,972	124,508					1,047,980
	2010/11	1,071,405		25,638	117,824	94,313				1,309,180

*retired 29 October 2010

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.

Operations Manager - I R Pokarier (retired 29 October 2010)

- Contract dated - 21 May 2007
- Term of agreement - Contract finalised 29 October 2010
- Wide Bay Australia or I R Pokarier 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 society has paid premiums to indemnify Directors and officers against personal losses arising from their respective positions within the society. During the reporting period and subsequent to 30 June 2011, no amounts have been paid under the indemnities by the society.

The Directors and officers of the society and its subsidiaries are insured against certain liabilities arising in the course of their duties. This premium is paid by the society 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 society'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 society 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 society, acting as an advocate for the society 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:

	$ 2011	$ 2010
Services provided in connection with the:		
Tax return subsidiaries	**17,741**	5,786
Tax advice	**8,219**	11,725
Other services	**23,230**	8,219
Total	**49,190**	25,730

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 2011 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

18 August 2011
Brisbane

P M Power
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

22 August 2011
Bundaberg

J S Humphrey
Director

AUSTRALIAN SECURITIES EXCHANGE INFORMATION

Corporate Governance Practices

The Board of Directors of Wide Bay Australia Ltd has adopted a Board Charter which sets out the society'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 J 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 Fell	29 years in office (retired 14 December 2010)
John Humphrey	3 years in office
John Pressler	23 years in office
Peter Sawyer	24 years 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 society.

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

The executive Directors are:

Ron Hancock	32 years in office
Frances McLeod	8 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'.

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 society'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 society, 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 J Pressler and R Hancock. Remuneration of the Managing Director, senior executives and other executive Directors is subject to the Group Board Remuneration Committee consisting of Mr J Pressler (Chairman) and independent Directors, P Sawyer and J 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 market place, 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 2010/11 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.

Issued Shares

Wide Bay Australia Ltd shares are listed on the Australian Securities Exchange under the code "WBB". The securities are permanent ordinary shares and as at 12 October 2011 there were 35,724,369 shares.

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.

Substantial Shareholders

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

Permanent Ordinary Shares

12 October 2011	No. of Shares	% of Total
Hancock, R E	2,094,187	5.86
Drenwood Pty Ltd / Skipglen Pty Ltd (associated entities & associates)	1,276,910	3.57

Distribution of Shareholders

Permanent Ordinary Shares

12 October 2011

Range	No. of Shareholders
1 - 1,000	1,445
1,001 - 5,000	2,043
5,001 - 10,000	645
10,001 - 100,000	499
100,001 - over	58
Total number of shareholders	4,690

List of Top 20 Permanent Shareholders

Permanent Ordinary Shares

12 October 2011

	Name	No. of Shares	%
1	Hancock, RE & LP	902,996	2.53
2	Hancock, RE	846,129	2.37
3	Drenwood Pty Ltd	517,972	1.45
4	Skipglen Pty Ltd	499,953	1.40
5	Sawyer, K	462,719	1.30
6	Milton Corporation Limited	433,570	1.21
7	Sawyer, PJ ATF The Peter Sawyer Family A/c	408,486	1.14
8	Sprake, BR & CL ATF RG Sprake & Co Super A/c	402,577	1.13
9	Cogent Nominees Pty Ltd	363,782	1.02
10	RBC Dexia Investor Services Australia Nominees Pty Ltd (BKCust A/c)	363,305	1.02
11	Olsen, RC	330,520	0.93
12	National Nominees Ltd	320,759	0.90
13	Hestearn Pty Ltd	308,543	0.86
14	Cockerill, GD & DM ATF Graham Cockerill Super Fund A/c	307,594	0.86
15	Wealthcoach Pty Ltd (Sunrise A/c)	285,236	0.80
16	Mertan Pty Ltd (J & C Fell Super Fund A/c)	281,973	0.79
17	Cran, D	264,074	0.74
18	Drenwood Pty Ltd (Protection A/c)	258,985	0.72
19	McBride, KG & PA	245,888	0.69
20	Runge, B	236,004	0.66
	Top 20 Permanent Shareholders	**8,041,065**	**22.52**

Registered Office

The registered office and principal place of business of Wide Bay Australia Ltd is
5th Floor, Wide Bay Australia House, 16-20 Barolin Street, Bundaberg, Queensland 4670
telephone (07) 4150 4000

Secretary

The Secretary is Mr William Ray Schafer.

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, Queensland 4101
telephone 1300 552 270

On-Market Buy Back

There is no on-market buy back.

OUR CORPORATE DIRECTORY

Directors

John S Humphrey LLB (Chairman)
Ronald E (Ron) Hancock AM FCA FAICD FIFS (Managing Director)
Frances M McLeod MAICD FIFS
John F Pressler OAM FAICD FIFS
Peter J Sawyer FCA FAICD FIFS
John H Fell FCA FIFS (retired 14 December 2010)

Secretary

William R (Bill) Schafer BCom CA

Registered Office

Level 5 Wide Bay Australia House
16-20 Barolin Street
Bundaberg Qld 4670
telephone (07) 4150 4000
facsimile (07) 4152 3499
email widebay@widebayaust.com.au
website www.widebayaust.com.au

Australian Securities Exchange Code

WBB

LISTED ON ASX

Auditors

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

Principal Lawyers

MRH Lawyers
Level 6 Wide Bay Australia House
16-20 Barolin Street
Bundaberg Qld 4670
telephone (07) 4154 5500
facsimile (07) 4152 8819
email info@mrh.com.au

Principal Banker

Westpac Banking Corporation

Share Register

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

BRANCHES 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 Centro Townsville
  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

- McDonnell Hume Partners **full service agency**
  Wide Bay Australia House
  50 Borilla Street, **Emerald** Q 4720
  PO box 787, Emerald Qld 4720
  phone (07) 4987 8200 fax (07) 4987 7284
- Moranbah Fair Shopping Centre
  St Francis Drive, **Moranbah** Q 4744
  PO box 237, Moranbah Q 4744
  phone (07) 4967 9500 fax (07) 4941 7378

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 Agent under Corporate Authorised Representative No. 310799
- 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
  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
- Urangan Central Shop 2A
  cnr Boat Harbour Drive & Elizabeth Street,
  Urangan Q 4655
  phone (07) 4197 2100 fax (07) 4125 5678

Gympie

- 102 Mary Street, **Gympie** Q 4570
  PO box 393, Gympie Q 4570
  phone (07) 5489 6100 fax (07) 5482 1835
- 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
- 94 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 2430
- 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
- tenancy L509, level 4
  Robina Town Centre Drive,
  Robina Town Centre, Gold Coast Q 4230
  PO box 4845, Robina Town Centre Q 4230
  phone (07) 5656 5200 fax (07) 5580 9785

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

real people real smiles real service

wide bay australia ltd 2010 » 2011 annual report and financial performance

Wide Bay Australia Ltd ABN 40 087 652 060
Australian Financial Services + Australian Credit Licence No. 239686

head office Wide Bay Australia House
16-20 Barolin Street
Bundaberg Queensland 4670

PO Box 1063
Bundaberg Queensland 4670

1300 wide bay
bh 9 4 3 3 2 2
or 07 4150 4000
(fax 07 4152 3499)

www.widebayaust.com.au
email widebay@widebayaust.com.au

real people
real smiles
real service

wide bay australia
banking your way