

FORM: Preliminary final report

Name of *issuer*

Pioneer Permanent Building Society Limited

ACN or ARBN	Half yearly (tick)	Preliminary final (tick)	Financial year ended ('Current period')
087 652 042		X	30 June 2005

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

				\$A,000
Sales (or equivalent) operating revenue (item 1.1)	up	3%	to	36,722
Operating profit (loss) before abnormal items and tax (item 1.4	up	44%	to	2,797
Abnormal items before tax (item 1.5)	N/A	gain (loss) of	to	Nil
Operating profit (loss) after tax but before outside equity interests (item 1.8)	up	45%	to	1,957
Extraordinary items after tax attributable to members (item 1.13)	N/A	gain (loss) of	to	Nil
Operating profit (loss) and extraordinary items after tax attributable to members (item 1.16)	up	45%	to	1,351
Exploration and evaluation expenditure incurred (item 5.2)	N/A	%	to	Nil
Exploration and evaluation expenditure written off (item 5.3)	N/A	%	to	Nil
Dividends (distributions)	Amount		Franked Amount	
Final Dividend (<i>preliminary final report only</i>)	6.00¢		6.00¢	
Interim Dividend (<i>Half yearly report only</i>)				
Previous corresponding period	5.50¢		5.50¢	
Record date for determining entitlements to the dividend, (in the case of a trust distribution) (see item 15.2)			13 September 2005	
Short details of any bonus or cash issue or other items(s) of importance not previously released to the market:				

Consolidated profit and loss account
(The figures are not equity accounted)

	Current period \$A'000	Previous corresponding period \$A'000
1.1 Interest revenue	30,695	29,844
1.2 Other revenue	6,027	5,975
1.3 Total revenue	36,722	35,819
1.4 Operating profit (loss) before abnormal items and tax	2,797	1,936
1.5 Abnormal items before tax (detail in item 2.1)	Nil	Nil
1.6 Operating profit (loss) before tax (items 1.4 + 1.5)	2,797	1,936
1.7 Less tax	840	585
1.8 Operating profit (loss) after tax but before outside equity interests	1,957	1,351
1.9 Less outside equity interests		
1.10 Operating profit (loss) after tax attributable to members	1,957	1,351
1.11 Extraordinary items after tax (detail in item 2.3)	Nil	Nil
1.12 Less outside equity interests	Nil	Nil
1.13 Extraordinary items after tax attributable to members	Nil	Nil
1.14 Total operating profit (loss) and extraordinary items after tax (items 1.8 1.11)	1,957	1,351
1.15 Operating profit (loss) and extraordinary items after tax attributable to outside equity interests (items 1.9 .112)	Nil	Nil
1.16 Operating profit (loss and extraordinary items after tax attributable to members (items 1.10 +1.13)	1,957	1,351

Consolidated profit and loss account continued

1.17 Dividends provided for or paid	969	252
1.18 Aggregate or amounts transferred to reserves		
1.19 Retained profits (accumulated losses) at end of financial period	3,173	2,183

Abnormal and extraordinary items

		Consolidated – current period		
		Before tax \$A'000	Related tax \$A'000	After tax \$A'000
2.1	Abnormal items			
2.2	Total abnormal items	Nil	Nil	Nil
2.3	Extraordinary items			
2.4	Total extraordinary items	Nil	Nil	Nil

Comparison of half year profits*(Preliminary final statement only)*

		Current year - \$A'000	Previous year - \$A'000
3.1	Consolidated operating profit (loss) after tax attributable to members reported for the 1st half year (item 1.10 in the half yearly statement)	889	486
3.2	Consolidated operating profit (loss) after tax attributable to members for the 2nd half year	1,068	865

Consolidated balance sheet

(See note 5)

Assets		At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly statement \$A'000
4.1	Cash and Liquid Assets	14,667	10,001	14,161
4.2	Due from other financial institutions	75,288	71,500	82,309
4.3	Accrued receivables	1,922	1,964	2,250
4.4	Investment securities	61,679	92,926	85,908
4.5	Loans and advances	307,586	280,253	295,671
4.6	Other Investments	564	564	13
4.7	Property, plant and equipment	4,900	4,421	4,325
4.8	Deferred tax assets	767	1,096	954
4.9	Intangible assets	58	67	62
4.10	Other assets	525	488	641
4.11	Total assets	467,956	463,280	486,294
Liabilities				
4.12	Deposits & Short term borrowings	423,549	420,188	443,318
4.13	Payables & other liabilities	5,118	5,877	4,715
4.14	Interest bearing liabilities	17,416	17,416	17,416
4.15	Tax liabilities	444	196	435
4.16	Provisions	579	451	489
4.17	Total liabilities	447,107	444,128	466,373
4.18	Net assets	20,849	19,152	19,921
Equity				
4.19	Capital	16,166	15,535	15,895
4.20	Reserves	1,512	1,434	1,512
4.21	Retained profits (accumulated losses)	3,171	2,183	2,514
4.22	Equity attributable to members of the parent entity			
4.23	Outside equity interests in controlled entities			
4.24	Total equity	20,849	19,152	19,921
4.25	Preference capital and related premium included as part of 4.31			

Exploration and evaluation expenditure capitalised

To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit

	Current period \$A'000	Previous corresponding period \$A'000
5.1 Opening balance		
5.2 Expenditure incurred during current period		
5.3 Expenditure written off during current period		
5.4 Acquisitions, disposals, revaluation increments, etc.		
5.5 Expenditure transferred to Development Properties		
5.6 Closing balance as shown in the consolidated balance sheet (item 4.9)	N/A	N/A

Development**properties**

(To be completed only by issuers with mining interests if amounts are material)

	Current period \$A'000	Previous corresponding period \$A'000
6.1 Opening balance		
6.2 Expenditure incurred during current period		
6.3 Expenditure transferred from exploration and evaluation		
6.4 Expenditure written off during current period		
6.5 Acquisitions, disposals, revaluation increments, etc.		
6.6 Expenditure transferred to mine properties		
6.7 Closing balance as shown in the consolidated balance sheet (item 4.10)	N/A	N/A

Consolidated statement of cash flows

(See note 6)

		Current period \$A'000	Previous corresponding period \$A'000
	Cash flows related to operating activities		
7.1	Fees and commissions received	5,534	5,247
7.2	Payments to suppliers and employees	(14,996)	(14,192)
7.3	Dividends received	1	4
7.4	Interest and other items of similar nature received	31,226	28,904
7.5	Interest and other costs of finance paid	(19,320)	(17,494)
7.6	Income taxes paid	(264)	226
7.7	Other (provide details if material)	532	509
7.8	Net operating cash flows	2,713	3,204
	Cash flows related to investing activities		
7.9	Payments for purchases of property, plant and equipment	(1,651)	(629)
7.10	Proceeds from sale of property, plant and equipment	368	81
7.11	Payment for purchases of equity investments		
7.12	Proceeds from sale of equity investments		
7.13	Loans to other entities/customers	(118,111)	(74,533)
7.14	Loans repaid by other entities/customers	91,233	111,905
7.15	Net (increase) / decrease in investments and receivables	27,506	(72,088)
7.16	Other (provide details if material)		(14)
7.17	Net investing cash flows	(655)	(35,278)
	Cash flows related to financing activities		
7.18	Proceeds from issues of securities (shares, options, etc.)	631	178
7.19	Proceeds from borrowings/client deposits	2,946	24,107
7.20	Repayment of borrowings		
7.21	Dividends paid	(969)	(252)
7.22	Other (provide details if material)		
7.23	Net financing cash flows	2,608	24,033
	Net increase (decrease) in cash held	4,666	(8,041)
7.24	Cash at beginning of period (see Reconciliations of cash)	10,001	18,042
7.25	Exchange rate adjustments to item 7.23		
7.26	Cash at end of period (see Reconciliation of cash)	14,667	10,001

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

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Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current period \$A'000	Previous corresponding period \$A'000
8.1	Cash on hand and at bank	11,167	9,001
8.2	Deposits at call	3,500	1,000
8.3	Bank overdraft		
8.4	Other (provide details)		
8.5	Total cash at end of period (item 7.25)	14,667	10,001

Ratios

		Current period	Previous corresponding period
Profit before abnormals and tax/sales			
9.1	Consolidated operating profit (loss) before abnormal items and tax (items 1.4) as a percentage of sales revenue (items 1.1)	7.6%	5.4%
Profit after tax/equity interests			
9.2	Consolidated operating profit (loss) after tax attributable to members (item 1.10) as a percentage of equity (similarly attributable) at the end of the period (item 4.34)	10.2%	7.1%

Earnings per security (EPS)

10.1	Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share		
(a)	Basic EPS	19.06 cents	13.39 cents
(b)	Diluted EPS (if materially different from (a))		

NTA backing

(see note 7)

		Current period	Previous corresponding period
11.1	Net tangible asset backing per ordinary security	\$2.01	\$1.89

Details of specific receipts/outlays, revenues/expenses

		Current period A\$'000	Previous corresponding period \$A'000
12.1	Interest revenue included in determining items 1.4	30,695	29,844
12.2	Interest revenue included in item 12.1 but not yet received (if material)	1,009	1,414
12.3	Interest expense included in item 1.4 (include all forms of interest, lease finance charges, etc.)	18,878	18,266
12.4	Interest costs excluded from item 12.3 and capitalised in asset values (if material)	0	0
12.5	Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)	0	0
12.6	Depreciation (excluding amortisation of intangibles)	831	884
12.7	Amortisation of intangibles	9	24

Control gained over entities having material effect*(See note 8)*

13.1	Name of <i>issuer</i> (or <i>group</i>)	
13.2	Consolidated operating profit (loss) and extraordinary items after tax of the <i>issuer</i> (or <i>group</i>) since the date in the current period on which control was acquired	\$
13.3	Date from which such profit has been calculated	
13.4	Operating profit (loss) and extraordinary items after tax of the <i>issuer</i> (or <i>group</i>) for the whole of the previous corresponding period	\$

Loss of control of entities having material effect*(See note 8)*

14.1	Name of entity (or <i>group</i>)	
14.2	Consolidated operating profit (loss) and extraordinary items after tax of the entity (or <i>group</i>) for the current period to the date of loss of control	\$
14.3	Date from which the profit (loss) in item 14.2 has been calculated	
14.4	Consolidated operating profit (loss) and extraordinary items after tax of the entity (or <i>group</i>) while controlled during the whole of the previous corresponding period	\$
14.5	Contribution to consolidated operating profit (loss) and extraordinary items from sale of interest leading to loss of control	\$

Dividends

15.1	Date the dividend is payable	27 September 2005
15.2	Record date to determine entitlements to the dividend (ie. on the basis of registrable transfers received up to 5.00 pm)	13 September 2005
15.3	Amount per security	6.0 cents

		Franking rate applicable	39%	36%	30%
		<i>(Preliminary final statement only)</i>			
15.4	Final dividend:	Current year	6.0¢	N/A	N/A
15.5		Previous year	5.5¢	N/A	N/A
		<i>(Half yearly and preliminary final statements)</i>			
15.6	Interim dividend:	Current year	4.0¢	N/A	N/A
15.7		Previous year	2.5¢	N/A	N/A

Total annual dividend (distribution) per security

(Preliminary final statement only)

		Current year	Previous year
15.8	Ordinary securities	10.0 ¢	8.0 ¢
15.9	Preference securities	N/A	N/A

Total dividend (distribution)

		Current period \$A'000	Previous corresponding period - \$A'000
15.10	Ordinary securities	\$1,033	\$811
15.11	Preference securities	\$	\$
15.12	Total	\$1,033	\$811

The *dividend or distribution plans* shown below are in operation.

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The last date(s) for receipt of election notices to the *dividend or distribution plans*

Any other disclosures in relation to dividends (distributions)

Nil

Equity accounted associated entities and other material interests

Equity accounting information attributable to the economic entity's share of investments in associated entities must be disclosed in a separate notice. See AASB 1016: Disclosure of Information about Investments in Associated Companies.

Investments in associated entities		Current period A\$'000	Previous corresponding period A\$'000
16.1	Statutory carrying value of investments in associated entities (SCV)		
16.2	Share of associated entities' retained profits and reserves not included in SCV:		
	Retained profits		
	Reserves		
16.3	Equity carrying value of investments	N/A	N/A

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities.

		Percentage of ownership interest (ordinary securities, units etc) held at end of period		Contributing to operating profits (loss) and extraordinary items after tax	
17.1	Equity accounted associated entities	Current period	Previous corresponding period	Current period	Previous corresponding period
				<i>Equity accounted</i>	
17.2	Other material interests			<i>Not equity accounted (ie part of item 1.14)</i>	

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Issued and listed securities

Description includes rate of interest and any redemption or conversion rights together with prices and rates.

Category of securities		Number issued	Number listed	Par value (cents)	Paid-up value (cents)
18.1	Preference securities (description)				
18.2	Issued during current period				
18.3	Ordinary securities	10,372,847	10,372,847	N/A	Fully Paid
18.4	Issued during current period	221,443	221,443	N/A	Fully Paid
18.5	Convertible debt securities (description and conversion factor)				
18.6	issued during current period				
18.7	Options (description and conversion factor)			Exercise price	Expiry date
18.8	Issued during current period				
18.9	Exercised during current period				
18.10	Expired during current period				
18.11	Debentures (totals only)				
18.12	Unsecured Notes (totals only)	\$17,416,439	\$17,416,439		

Comments on Results

The Society maintains a distribution network throughout regional Queensland. The network ranges from Mossman in Far-North Queensland to the Sunshine Coast in South-East Queensland and West to Charleville and Longreach. The network has seen significant expansion in the past 5 years. Key strategies for the future are to focus on continuing improvement of customer service levels, ongoing product development and maximising business growth and returns from the expanded network. Details of specific initiatives are outlined in the General Manager's Report contained in the 2005 Annual Review.

A review of the operations of the economic entity during the financial year and results of those operations are:

- The consolidated pre-tax profit of the economic entity for the year was \$2,797,251, compared with a pre-tax profit for the previous year of \$1,935,705. Review of the general provision for doubtful debts and subsequent reduction to \$1.4 million made a one-off contribution of \$396,221 to the reported profit.
- Loan approvals for the year totalled \$131 million, a 36% increase on approvals of \$96 million for the previous year.
- Loan balances grew 10% over the year to \$307 million.
- The Society's capital adequacy ratio of 16.5% is significantly in excess of regulatory requirements. The high level of capital provides capacity for the Society to materially increase the loan portfolio without having to raise additional capital.
- The Society's cash and liquidity holdings of \$152 million provide a strong capacity to grow the loan portfolio.

Basis of accounts preparation

If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Half-Year Accounts and Consolidated Accounts. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. [Delete if in applicable.]

Material factors affecting the revenues and expenses of the *issuer* for the current period

Reduction of the general provision for doubtful debts from \$1.796m at 30 June 2004 to \$1.400m at 30 June 2005 contributed \$0.396m to pre-tax profit.

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

Nil

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

\$2,244,565 – The Society expects dividends paid during the next year to be fully franked

Changes in accounting policies since the last annual report are disclosed as follows.
(Disclose changes in the half yearly statement in accordance with paragraph 15(c) of AASB 1029: Half-Year Accounts and Consolidated Accounts. Disclose changes in the preliminary final statement in accordance with AASB 101: Accounting Policies-Disclosure.)

Nil

Annual meeting

(Preliminary final statement only)

The annual meeting will be held as follows:

Place	RSL Club, 70 Sydney St, Mackay
Date	20 October 2005
Time	4.30 pm
Approximate date the annual report will be available	16 September 2005

Compliance statement

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

- This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
- This statement does give a true and fair view of the matters disclosed (see note 2).
- This statement is based on financial statements to which one of the following applies:

<input checked="" type="checkbox"/> The financial statements have been audited.	<input type="checkbox"/> The financial statements have been subject to review by a registered auditor (or overseas equivalent).
<input type="checkbox"/> The financial statements are in the process of being audited or subject to review.	<input type="checkbox"/> The financial statements have <i>not</i> yet been audited or reviewed.
- If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available* (*delete one*). *(Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.)*
- The *issuer* has a formally constituted audit committee.

Sign here:
 (Company secretary)

Date: 23 August 2005

Print name: Larry Voltz

Independent Audit Report

TO THE MEMBERS OF PIONEER PERMANENT BUILDING SOCIETY LIMITED

Scope

We have audited the financial report of Pioneer Permanent Building Society and controlled entities for the financial year ended 30 June 2005 comprising Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Notes to and forming part of the Financial Statements, Directors' Declaration and the Remuneration Report contained within the Directors' Report.

The financial report includes the consolidated financial statements 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. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration included in the Directors Report has not changed as at the date of providing our audit opinion.

Audit Opinion

In our opinion, the financial report of Pioneer Permanent Building Society is in accordance with:

- (a) 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 2005 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

S H Tait & Co

L E Manning
Partner

Mackay QLD
23 August 2005