

FORM: Half yearly/preliminary final report

Name of issuer

Pioneer Permanent Building Society Limited

ACN or ARBN

087 652 042

Half yearly
(tick)

X

Preliminary
final (tick)

Half year/financial year ended
(‘Current period’)

31 December 2004

For announcement to the market

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

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

				\$A,000
Sales (or equivalent) operating revenue (item 1.1)	up	6%	to	18,513
Operating profit (loss) before abnormal items and tax (item 1.4)	up	60%	to	1,278
Abnormal items before tax (item 1.5)		gain (loss) of	to	Nil
Operating profit (loss) after tax but before outside equity interests (item 1.8)	up	83%	to	889
Extraordinary items after tax attributable to members (item 1.13)		gain (loss) of	to	Nil
Operating profit (loss) and extraordinary items after tax attributable to members (item 1.16)	Up	83%	to	889
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	Franking rate applicable	30%		
Current period	4.0¢	N/A	N/A	N/A
Previous corresponding period	2.5¢	N/A	N/A	N/A
Record date for determining entitlements to the dividend, (in the case of a trust distribution) (see item 15.2)			16 March 2005	
Short details of any bonus or cash issue or other items(s) of importance not previously released to the market:				
Nil				

Consolidated profit and loss account

(The figures are not equity accounted)

	Current \$A'000	Previous corresponding period \$A'000
1.1 Interest revenue	15,346	14,623
1.2 Other revenue	3,167	2,830
1.3 Total revenue	18,513	17,453
1.4 Operating profit (loss) before abnormal items and tax	1,278	801
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)	1,278	801
1.7 Less tax	389	315
1.8 Operating profit (loss) after tax but before outside equity interests	889	486
1.9 Less outside equity interests	Nil	Nil
1.10 Operating profit (loss) after tax attributable to members	889	486
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)	889	486
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)	889	486
1.17 Retained profits (accumulated losses) at beginning of financial period	2,183	1,084
1.18 Aggregate of amounts transferred from reserves	Nil	Nil
1.19 Total available for appropriation (carried forward)		
1.20 Total available for appropriation (brought forward)		

Consolidated profit and loss account continued

1.21 Dividends provided for or paid	558	Nil
1.22 Aggregate or amounts transferred to reserves	Nil	Nil

1.23	Retained profits (accumulated losses) at tend of financial period	2,514	1,570
------	--	-------	-------

Abnormal and extraordinary items

		Consolidated - current period		
		Before tax \$A'000	Related tax \$A'000	After tax \$A'000
2.1	Abnormal items	Nil	Nil	Nil
2.2	Total abnormal items	Nil	Nil	Nil
2.3	Extraordinary items	Nil	Nil	Nil
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)		
3.2	Consolidated operating profit (loss) after tax attributable to members for the 2nd half year		

Consolidated
(See note 5)

balance

sheet

Current 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	14,161	10,001	18,119
4.2	Due from other financial institutions	82,309	71,500	44,000
4.3	Accrued receivables	2,250	1,964	2,752
4.4	Investment securities	85,908	92,926	106,688
4.5	Loans and advances	295,671	280,253	293,611
4.6	Other investments	13	564	734
4.7	Property, plant and equipment	4,325	4,421	4,631
4.8	Deferred tax assets	954	1,096	1,158
4.9	Intangible assets	62	67	71
4.10	Other assets	641	488	585
4.11	Total assets	486,294	463,280	472,349
Liabilities				
4.12	Deposits & short term borrowings	443,318	420,188	431,663
4.13	Payables & other liabilities	4,715	5,877	4,205
4.14	Interest bearing liabilities	17,416	17,416	17,416
4.15	Tax liabilities	435	196	258
4.16	Provisions	489	451	446
4.27	Total liabilities	466,373	444,128	453,988
4.28	Net assets	19,921	19,152	18,361

Consolidated balance sheet continued

Equity				
4.19	Capital	15,895	15,535	15,356
4.20	Reserves	1,512	1,434	1,434
4.21	Retained profits (accumulated losses)	2,514	2,183	1,571
4.22	Equity attributable to members of the parent entity			
4.23	Outside equity interests in controlled entities			
4.24	Total equity	19,921	19,152	18,361
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	Receipts from customers	1,745	1,369
7.2	Payments to suppliers and employees	(6,779)	(6,083)
7.3	Dividends received	-	4
7.4	Interest and other items of similar nature received	15,582	14,063
7.5	Interest and other costs of finance paid	(9,809)	(8,666)
7.6	Income taxes paid	(9)	(493)
7.7	Other (provide details if material)	263	306
7.8	Net operating cash flows	993	500
	Cash flows related to investing activities		
7.9	Payments for purchases of property, plant and equipment	(558)	(375)
7.10	Proceeds from sale of property, plant and equipment	342	15
7.11	Payment for purchases of equity investments	-	-
7.12	Proceeds from sale of equity investments	-	-
7.13	Loans to other entities/customers	(69,539)	(92,837)
7.14	Loans repaid by other entities/customers	51,012	58,225
7.15	Other (provide details if material)	-	(4)
7.16	Net investing cash flows	(18,743)	(34,976)
	Cash flows related to financing activities		
7.17	Proceeds from issues of securities (shares, options, etc.)	360	-
7.18	Proceeds from borrowings/client deposits	22,108	34,553
7.19	Repayment of borrowings	-	-
7.20	Dividends paid	(558)	-
7.21	Other (provide details if material)	-	-
7.22	Net financing cash flows	21,910	34,553
	Net increase (decrease) in cash held	4,160	77
7.23	Cash at beginning of period (see <i>Reconciliations of cash</i>)	10,001	18,042
7.24	Exchange rate adjustments to item 7.23		-
7.25	Cash at end of period (see <i>Reconciliation of cash</i>)	14,161	18,119

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.

--

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	12,161	11,119
8.2 Deposits at call	2,000	7,000
8.3 Bank overdraft	-	-
8.4 Other (provide details)	-	-
8.5 Total cash at end of period (item 7.25)	14,161	18,119

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)	6.9%	4.6%
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)	4.5%	2.6%

Earnings per security (EPS)

10.1 Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share		
(a) Basic EPS	8.71	4.86
(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	1.94	1.83

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	15,346	14,623
12.2 Interest revenue included in item 12.1 but not yet received (if material)	1,214	978
12.3 Interest expense included in item 1.4 (include all forms of interest, lease finance charges, etc.)	9,547	8,732
12.4 Interest costs excluded from item 12.3 and capitalised in asset values (if material)	-	-
12.5 Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)	-	-
12.6 Depreciation (excluding amortisation of intangibles)	404	456
12.7 Amortisation of intangibles	5	5

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	\$

Reports for industry and geographical segments

Primary Segment:

	Segment Revenue		Segment Result	
	Dec 2004 \$	Dec 2003 \$	Dec 2004 \$	Dec 2003 \$
Banking	18,512,526	17,453,089	1,277,839	801,016
Income Tax Expense			(388,428)	(314,901)
	18,512,526	17,453,089	889,411	486,115

Dividends

15.1	Date the dividend is payable	30 March 2005
15.2	Record date to determine entitlements to the dividend (ie. on the basis of registrable transfers received up to 5.00 pm)	16 March 2005
15.3	Amount per security	4.0 cents

	Franking rate applicable30%		39%	36%	33%
	(Preliminary final statement only)				
15.4	Final dividend:	Current year	N/A	N/A	N/A
15.5		Previous year	N/A	N/A	N/A
	(Half yearly and preliminary final statements)				
15.6	Interim dividend:	Current year	4.0¢	N/A	N/A

15.7	Previous year	2.5¢	N/A	N/A	N/A
------	---------------	------	-----	-----	-----

Total annual dividend (distribution) per security

(Preliminary final statement only)

		Current year	Previous year
15.8	Ordinary securities	¢	¢
15.9	Preference securities	¢	¢

Total dividend (distribution)

	Current period \$A'000	Previous corresponding period - \$A'000
15.10 Ordinary securities	\$411,154	\$252,212
15.11 Preference securities	-	-
15.12 Total	\$411,154	\$252,212

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

Shares issued under the dividend reinvestment scheme are at a discount of 5% to the prevailing market price.
--

The last date(s) for receipt of election notices to the <i>dividend or distribution plans</i>	9 March 2005
---	--------------

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>	

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	10,278,861	10,278,861	N/A	Fully paid
18.4	Issued during current period	127,457	127,457	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 by directors

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 1029: Half-Year Accounts and Consolidated Accounts. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

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

Agency fee income of \$318,335 was recognised during the period.

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

\$2,395,713 – 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

Date

Time

Approximate date the annual report will be available

Compliance statement

1. 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

--

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:
- ☐ The financial statements have been audited. **x** The financial statements have been subject to review by a registered auditor (or overseas equivalent).
- ☐ The financial statements are in the process of being audited or subject to review. ☐ The financial statements have *not* yet been audited or reviewed.
5. 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. *(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.)*
6. The *issuer* has a formally constituted audit committee.

Sign here:
(Company secretary)

Date: 24 February 2005

Print name: .Larry Voltz

INDEPENDENT REVIEW REPORT

TO THE MEMBERS OF PIONEER PERMANENT BUILDING SOCIETY LIMITED AND CONTROLLED ENTITIES

31st December 2004

Scope

We have reviewed the financial report of Pioneer Permanent Building Society Limited for the half-year ended 31 December 2004 comprising Consolidated Statement of Financial Performance, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, notes to the Financial Statements and Directors' Declaration. The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year. The company's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029: Interim Financial Reporting 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 financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission, Australian Prudential Regulation Authority and the Newcastle Stock Exchange.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

STATEMENT

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Pioneer Permanent Building Society Limited is not in accordance with:

- (a) The Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position at 31 December 2004 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) *other mandatory professional reporting requirements in Australia.*

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

SH Tait & Co.
Chartered Accountants
MACKAY

L. E. MANNING
24 February 2005

