



wide bay capricorn building society ltd 2000
annual report and financial statements



www.widebaycap.com.au



mission statement

Our Commitment: We seek to be a leader by - promoting the well-being of our investors, borrowers, shareholders, staff and communities we serve.

Central to our purpose are the following aims:

Financial: To achieve sound financial growth and to preserve and improve our position by ensuring a strong and profitable Society for the benefit of all.

Service: To achieve high standards of personal, efficient service and presentation meeting the needs of customers in an efficient and caring manner and to ensure that our systems and technology are equal to the task.

Products: To ensure our principal investment and lending activities remain competitive and attractive, while safe-guarding our financial stability and security; and to provide associated banking and financial products which are desired by our account-holders.

Community: To accept every opportunity to educate customers and the public in the importance of saving and achieving eventual home ownership; and to assist and foster our local communities by being a caring corporate citizen by involvement with and support of - when possible - community activities, organisations and events.

Staff: To provide a challenging career in a progressive and successful environment; and to promote active participation in and a desire to achieve our aims.

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about us

Wide Bay Capricorn Building Society Ltd (ABN 40 087 652 060) is based in Bundaberg, Queensland, and is one of that State's largest non-bank Approved Deposit Taking Institutions.

We are earning an Australia-wide reputation for dedication as a specialist provider of banking products and financial services - in particular for the provision of home finance and investment opportunities.

A listed company on the Australian Stock Exchange Limited, we have a solid track record of achievement and growth.

Our reputation for competitive products and customer service is the result of having a genuine interest in each and every account-holder and the flexibility to adapt to our customer's changing needs - something you won't get from a larger financial institution!

Plus our banking and financial transactions are supported by advanced financial technology and efficient process and systems.

We are keen to help you improve your financial position by providing sound advice, the right product for your individual needs, and financial solutions to help you get ahead.

history

Our Society was formed in Queensland in 1979 as the result of a merger of two building societies.

The Burnett Permanent Building Society (based in Bundaberg) and the Maryborough Permanent Building Society - which had operated since the early 1960's.

In 1981, Wide Bay Capricorn also amalgamated with the Gympie and North Coast Building Society. Then again in 1983, another merger occurred with the Gladstone-based Port Curtis Building Society.

Wide Bay Capricorn continued to foster the aims of its predecessor societies which were established to co-ordinate the joint savings of members to foster home ownership in the community. As a result funds under management grew strongly as did the loan book as we made home ownership more achievable for thousands of people by providing affordable, low deposit home loans.

As a result of our history, we enjoy solid support in Central and South-East Queensland - and benefit from the diversification of economies and opportunities.

We have also built on this foundation - offering a broader range of banking and financial services and operations that extend through the greater part of regional Queensland and into Brisbane, Sydney, Melbourne and Adelaide.

Wide Bay Capricorn listed on the Australian Stock Exchange Limited in 1994 and our shares have traded strongly since then - reflecting our record of growth and profitability.

growing strong...
growing together...
banking and financial
services for a new millennium!



housing families...
across four States...
a 46.91% increase in lending!

When you invest your hard-earned money, you're looking for both a sound return and peace-of-mind.

So while striving to provide competitive and attractive products and services, we've also made a commitment to offer you quality, safety and security.

Our policies and controls have produced a consistent record of stability and growth and helped form a strong foundation for the future.

When making the decision to invest, the following facts may help answer some of the questions you may have:

Built on a Strong Foundation

Our history demonstrates a solid record of strength, growth and stability.

Supervision and Regulation

Australian Prudential Regulation Authority:

We are supervised by the Australian Prudential Regulation Authority (APRA) – as are other building societies, banks, credit unions, friendly societies, life and general insurance companies, and superannuation funds.

APRA is responsible for prudential supervision - that is the promotion of safety and soundness by these institutions.

APRA provides a consistent approach to the supervision of both banks and building societies.

APRA Infoline - 13 10 60

APRA Website - www.apra.gov.au

Australian Securities and Investments Commission:

Another body responsible for protecting account-holders and shareholders is the Australian Securities and Investments Commission (ASIC).

ASIC protects consumers from misleading and deceptive conduct, and also regulates matters affecting incorporation, corporate governance and disclosure.

ASIC Infoline - 1300 300 630

ASIC Website - www.asic.gov.au

Australian Stock Exchange Limited:

As a listed company on the Australian Stock Exchange Limited (ASX), we are required to meet strict reporting and disclosure requirements.

Our shares have traded on the ASX since 1994, and have consistently performed strongly.

Quality Loans Portfolio

A significant aspect of our Society's operations is our lending activities.

The majority of our loans have been restricted to residential purposes secured by registered mortgages.

We also have a policy of insuring each and every loan with lenders mortgage insurance – arranged through an approved and registered lenders mortgage insurance company. This insurance helps protect us against loss in the event of default by a borrower and provides additional comfort to depositors and investors.



left to right

John Pressler A.I.F.S. Chairman

Ron Hancock F.C.A., F.I.F.S. Managing Director

John Fell F.C.A., F.I.F.S. Director

Kerry McBride A.I.F.S. Director

Peter Sawyer F.C.A., A.I.F.S. Director

directors' report

The year just concluded has been one of major achievement and development which, in a period of intense competition, will have long term ramifications for the future performance and direction of the Society.

Our profit result, reflecting the Society's ability to compete and progress, of \$4.889 million after-tax represents an increase of 10.97% over the previous year.

Our lending was consistent throughout the year with total loans approved amounting to \$257.28 million - an increase of 46.91% over the previous year. This strong lending performance was referred to in last year's report as a trend that developed in the later six months of that year and it is now transferring benefits to our operating results.

The Society has, for some time, actively funded a percentage of its growth and lending portfolio through the use of securitisation programmes and this year has seen a further expansion of that funding. Our total assets including our on balance sheet securitisation programmes, as per our consolidated accounts, have grown to \$923.9 million - an increase of 24.63% over the previous year.

These achievements have been made without heavy branch distribution expenditure and in fact your Board, where appropriate, has decided not to continue with some branches and agencies where their cost and performance could not be justified.

Even with an increasing move to securitisation to provide funding for our loan book and some rationalisation of operations, we remain conscious and committed to the development and expansion of services in our retail network and customer base - particularly throughout provincial Queensland. We will continue that commitment whereby we can well be regarded as the local community bank - providing a full range of banking and financial services.

Our interstate operations, particularly in Melbourne, continue to show strong growth and together with Sydney, Adelaide and our traditional Queensland operations, provide a broad geographical spread for the Society's activities.

Our licensed lender's mortgage insurance captive, Mortgage Risk Management Pty Ltd, has performed well throughout the year and as insurance premium earnings are brought to account increasingly over the next few years, will make a substantial contribution to our overall results. Its performance in the area of claims experience has to date been exceptional, with a very strong arrears position. Throughout the year, we have used this subsidiary exclusively to insure our lending products.

Our Year 2000 planning ensured a successful roll over with no difficulties being experienced. Unfortunately, there was a significant cost attached to our Y2K planning and this has been absorbed in the trading results for the year. Consistent with the technological era, the Society is developing financial e-commerce and internet products providing a range of benefits and services. Within the next few weeks our internet site will be fully operational, allowing a range of internet banking applications.

Our telephone banking introduced during the year is showing strong support from our shareholders and customers. Plans are also well advanced to introduce a MasterCard, currently scheduled for launch prior to the end of this calendar year. Within the next month, we are also planning to have BPAY available. Our network has also been upgraded to enable all of these facilities to be available through individual branches and agencies.



We have now introduced financial planning services through a joint venture with Financial Technologies Securities Pty Ltd, who have been associated with the Society for many years. Our "Wealthpath" products are already receiving strong support and acceptance from investors. As this product expands over the next few years, it will also significantly contribute to the Society's annual performance.

Our general insurance facilities, "Widecover Insurance" continues to go from strength to strength and is a major part of our operations.

Your Board has also been conscious of the impact of costs and has constantly reviewed our operations.

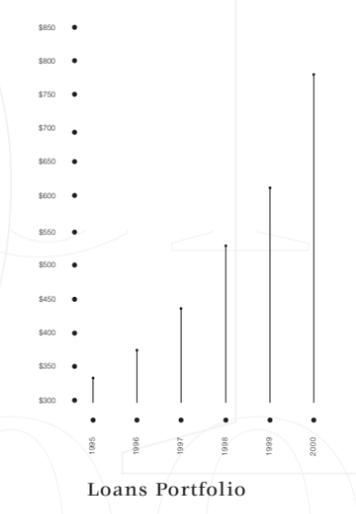
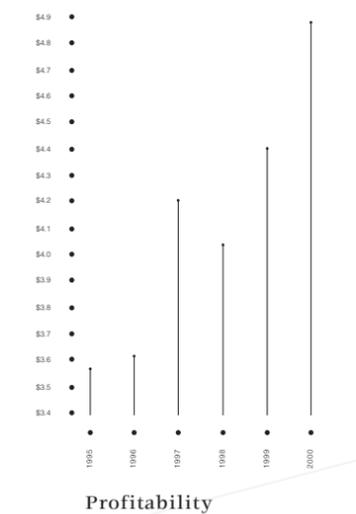
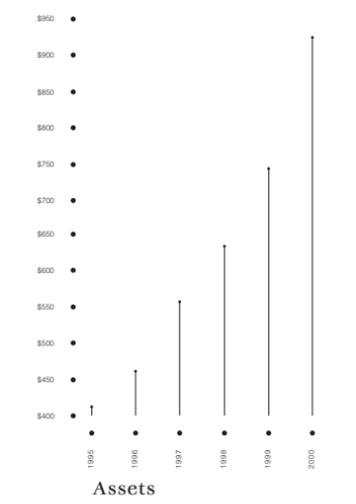
Where appropriate, we have introduced charges for services, albeit at a much lesser scale than our major banking competitors. These reflect the "user-pays" principle - particularly in relation to high volume accounts. Operating margins in respect of loans continue to be strained through competitive forces and these charges help offset the reduced margins being experienced throughout the industry as a whole.

As mentioned in our previous annual report, our industry was being transferred to the supervision of the Australian Prudential Regulation Authority (APRA), which supervises and controls the standards, management and operations of approved deposit-taking institutions. This transfer provided for a transitional period up to December 2000 and we have already satisfied and meet the requirements for that transfer.

At a Special General Meeting of members and shareholders held on 9 May 2000, where notice was forwarded to every member, the adoption of a new constitution and voting structure was approved. This change to our constitution now places us on an identical basis to the major companies throughout Australia. We are now required to meet the same reporting and accountancy requirements as all companies registered under the Australian Corporations Law which provides for one vote per share in respect of fixed shares on issue.

Throughout the year we reviewed our investment in Fincom Pty Ltd, a subsidiary of the Society, which holds an interest in the shares of QSI Payments, Inc. The Society increased its shareholding, following a placement by QSI, and currently has a direct shareholding of 4.36% in the current shares on issue of that company. QSI has developed an e-commerce product that is being used by major banks and financial distributors

strong profits...
consistent lending records ...
working together ...
making it happen!





community banking...
 understanding...
 commitment...
 making you feel important!

throughout the world. The company has announced that one of its major shareholders is now Goldman Sachs and that they will be considering a listing on the NASDAQ within the next twelve months. The product being developed by QSI uses part of the software developed in-house by our Society, and given the knowledge of that product, we are confident that if a listing goes ahead there will be some reasonable future benefits to the Society.

Perhaps our major achievement was the recent placement in August of a Wide Bay Capricorn Building Society public issue amounting to \$197.2 million, where Wide Bay Capricorn paper was taken up by institutions in the general market, with the Class A notes carrying a 'AAA' rating. In particular this issue stood out in respect of high Loan to Valuation Ratio (LVR) loans and in size was a milestone in the financial sector.

Our fixed shares have traded steadily on the Australian Stock Exchange although the number of available shares for trade have at times been limited. The Board has declared a fully franked final dividend of 11 cents per share to be paid on 3rd October 2000 - bringing our total dividend for the year to 22 cents. The Directors have also resolved to suspend the Dividend Reinvestment Plan.

Throughout the year, our Management Team has continued to apply competence, dedication and enthusiasm. These factors contributed greatly to the progress of the Society. On behalf of the Board, I extend our appreciation for their efforts.

The year ahead is not going to be any less difficult or competitive.

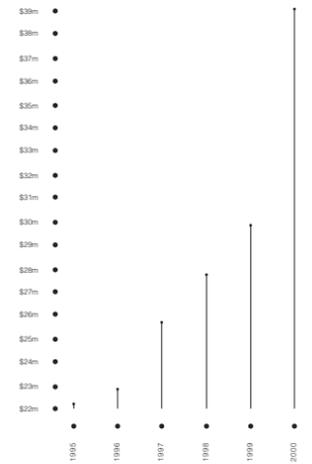
We believe however that with the structures and products we now have in place and the initiatives that have been taken in respect of our securitisation programme and development of our lending operations, that your Society will continue to grow from strength to strength.

On behalf of the Board, I extend our appreciation for the strong support from shareholders and customers throughout the year.

Yours faithfully,

J.F. Pressler
 Chairman

7th September 2000
 Bundaberg.



Shareholders' Equity share capital and accumulated reserves



Wide Bay Capricorn Building Society
2001 Balance Sheet

managing director's report

It is indeed a pleasure to provide an overview of the Society's operations for the year 1999-2000. The immediate challenge for the year was Y2K, which required a large amount of planning and testing from our Computer and Administration personnel - as well as ensuring that all of our associated suppliers, in respect of EFTPOS, ATM's etc, would not interfere with the Society's operations on changeover. Fortunately the roll over occurred without any problems and one can only wonder whether the large amount of resources and funds deployed were in the end warranted.

Our year's activities have been underpinned by strong lending figures, supported by our interstate operations of Melbourne, Sydney and Adelaide. Our lending figures of past years, have been the springboard for the growth in the Society and the maintaining and improvement of our profit results. Our loans approvals for the year amounted to \$257.28 million compared to \$175.13 million for the previous financial year.

Our assets, because of the strong growth in loans, have also increased substantially, closing the year at \$923.9 million an increase of 24.63% from the previous year. We have sourced the funding for loans from traditional retail deposits through our branches and agency network and by expanding our securitisation programme that was commenced in June 1997 with the assistance and support of SG Australia Limited.

During the year an amount of \$231.9 million was drawn down through a securitisation programme and a warehouse facility established with SG Australia Limited. In August the Society completed a public issue of Wide Bay Capricorn paper into the capital markets, which was strongly supported by institutional investors. This placement comprised higher loan to valuation ratios and at \$197.2 million was the largest placement of its type issued in the financial markets. The experience gained and the association developed with SG Australia Limited has enabled us to have in place a strong securitisation funding programme which will meet our funding requirements over and above our retail deposits for the foreseeable future.

Our growth in assets has been achieved without any major branch and agency development and this has tended to contain our costs and improve our operating ratios.

The Society has always performed well in the KPMG annual survey of Australian building societies and again this year we achieved the following placements in that survey: -

- Total Assets - 6th;
- Increase in Total Assets - 3rd;
- Return on Total Assets - 2nd;
- Return on Shareholder Equity - 2nd;
- Profit after Tax - 4th;
- Operating Expense/Avg Total Assets - 4th
- Cost to Income - 2nd.

Our cost to income ratio and cost to average assets, continue to perform well and our sustained growth will see those figures improve.

The establishment of our own lenders mortgage insurance company early in 1999 has seen us insure completely our lending programme for 1999/2000 with that captive, Mortgage Risk Management Pty Ltd. To date the performances of the fund have been excellent and as premiums are progressively allocated to income, this captive is expected to contribute substantially to our annual results. The operation of the captive is supervised by experienced managers in that field and experienced personnel are in place at Head Office to overview loan approval processing and arrears administration.



Wide Bay Capricorn Building Society Ltd

Annual Report 2000

Management Team left to right

- Gerry Savage A.I.M.M., A.I.F.S., J.P. (C.dec) Manager - Loans and Insurance
- Ray Linderberg B.Bus. (Comm), A.I.F.S. Marketing Manager
- Joanne Norris Administration Supervisor
- Ian Hatton Business Development Manager
- Gayle Job Training Manager
- Dale Hancock B.Bus., A.I.F.S. Manager - Securitisation and Interstate Operations
- Ian Pokarier A.I.F.S. Operations Manager
- Barry Lambooy C.A.(S.A.) Internal Auditor
- Frances McLeod A.I.F.S., J.P. (C.dec) Assistant to the Managing Director
- Jim Aisthorpe A.A.U.Q., J.P. (C.dec) Secretary and Administration Manager

Managing directors

Changing technology has provided many challenges, particularly to our Computer Department and our Manager, Mr Ian Pokarier has been active in ensuring that we maintain our presence and competitiveness with the provision of services such as telephone banking and recent developments in hand of internet banking and our own website. We are scheduled to join the BPAY network within the next month and this will provide a complete range of facilities complementing our already well established ATM EFTPOS network. Plans are in hand to introduce a MasterCard, currently scheduled prior to the end of this calendar year.

Our investment in QSI Payments, Inc. as mentioned in our previous report was increased during the year and the prospects for the Society, with that company's association now with Goldman Sachs, and planning for a NASDAQ listing, are very promising.

Our general products continue to expand, with Widecover Insurance receiving exceptional support and our financial planning arm now fully operational in Bundaberg and the North Coast, with representatives scheduled for the rest of our branch network during this financial year. Our Thomas Cook Agency is operational. Medibank Private is well used by our members and we continue to monitor and broaden our range of loan products, at the same time maintaining our long standing policy of only lending where there is appropriate residential accommodation security and the loan is fully insured with a Lender's Mortgage Insurance company, ensuring that we have minimal bad debt write offs throughout the year.

Our fee structure is carefully monitored and varied and we are adopting the principle of "user-pays" where the high cost of many of these transactions is passed onto the actual user, rather than subsidised from interest income where the margin is continually being eroded through market forces and competition. We endeavour at all times to ensure that we are substantially less than



the major banks and other financial institutions providing a competitive edge to the Society.

We have complied with the requirements under the transitional provisions for the transfer from the Australian Financial Institutions Commission (AFIC) to the Australian Prudential Regulation Authority (APRA). We have adopted a new set of rules and constitution, which conform with Corporations Law and are consistent with other listed companies throughout Australia.

Our trading on the Australian Stock Exchange is steady, although at times there are not a large number of sellers. This year we paid a dividend of 22 cents per share fully franked. We continue to receive strong support from our brokers and some larger shareholders.

The Society has always been focused on customer service and relationships and we continue our strong in-house training whereby all levels of staff visit Head Office on a regular basis for training, ensuring their capabilities with new products and our computer systems.

Whilst the success of any organisation is firstly at the direction of the Directors, total success relies on the capabilities and contributions of the staff, particularly the senior staff. In that regard we are very fortunate that our senior staff, apart from being enthusiastic and dedicated, in most cases have been with the Society for many years and conscious of their responsibilities. They have been significant players in the successes we have achieved to date and I extend my personal appreciation to them for their support and contributions.

The Society is now well placed to maintain a focused presence throughout our branches and agencies and will continue, in particular through products, services and facilities, to endeavour to be recognised as a community bank playing a major role where we are represented with our branches and agency network.

1999/2000, whilst being at times a very hectic year, has been very satisfying and I am sure that 2000/2001 will continue to show increased performances.

Yours faithfully,

R.E. HANCOCK
Managing Director

7th September 2000
Bundaberg

making a difference...
for all our customers...
for people like you!

corporate directory

Directors

John F. Pressler A.I.F.S. (Chairman)
Ronald E. Hancock F.C.A., F.I.F.S.
(Managing Director)
John H. Fell F.C.A., F.I.F.S.
Kerry G. McBride A.I.F.S.
Peter J. Sawyer F.C.A., A.I.F.S.

Secretary

James C. Aisthorpe

Registered Office

Level 5
Wide Bay Capricorn House
16-20 Barolin Street
Bundaberg Queensland 4670
Telephone - 07 4153 7777
Facsimile - 07 4153 7714
E-mail: widebaycap@widebaycap.com.au
Website: www.widebaycap.com.au

Australian Stock Exchange Code

WBB

Principal Banker

Westpac Banking Corporation

Auditor

Bentleys MRI
Chartered Accountants
Level 26
AMP Place
10 Eagle Street
Brisbane Queensland 4000
Telephone - 07 3222 9777
Facsimile - 07 3221 9250
E-mail - admin@bris.bentleys.com.au

Principal Lawyers

McCullough Robertson Hancock
Level 6
Wide Bay Capricorn House
16-20 Barolin Street
Bundaberg Queensland 4670
Telephone - 07 4154 5500
Facsimile - 07 4152 8819
E-mail - info@mrh.com.au

Queensland Stock Broker

Wilson HTM Ltd
Level 21
123 Eagle Street
Riverside Centre
Brisbane Queensland 4000
Telephone - 07 3212 1333
Facsimile - 07 3212 1399
E-mail - info@wilsonhtm.com.au

Interstate Stock Broker

Cameron Securities Limited
Level 5
CGU House
10 Spring Street
Sydney New South Wales 2000
Telephone - 02 9232 7700
Facsimile - 02 9232 7272
E-mail - mail@camstock.com.au

Institutional Stock Broker

Macquarie Equities
Level 2
No 1 Martin Place
Sydney New South Wales 2000
Telephone - 02 8232 3110
Facsimile - 02 8232 3873

Share Register

National Registry Services Pty Limited
Suite 4
Level 7
NAB Building
255 Adelaide Street
Brisbane Queensland 4000
Telephone - 07 3221 2391
Facsimile - 07 3221 2798
E-mail - nrs@btfinancialgroup.com

Agents for



CIC Insurance Limited
ABN 79 004 078 880



Australian Independent
Friendly Society
ABN 98 087 649 198



Medibank Private Limited
ABN 47 080 890 259



Thomas Cook Limited
ABN 36 004 179 953



Your future is in good hands.
Mercantile Mutual Life
Insurance Company Limited
ABN 33 009 657 176

Subsidiaries



Fincom Pty Ltd
ABN 44 070 598 828



Wide Bay Capricorn Financial
Planning Services Pty Ltd
ABN 15 088 124 172

Mortgage Risk Management Pty Ltd
ABN 99 082 740 010

Products and Services

Home Loans

Owner-Occupied Home Loan
Construction Home Loan
Investment Loan
Vacant Residential Land Loan
Refinance Loan
Debt Consolidation Loan
Home Equity Loan

Lines-of-Credit

Freedom Gold Line-of-Credit
Freedom Plus Line-of-Credit

Term Deposits

Banking Services

Electronic Banking:

"Smart-Link" Internet Banking
"Smartlink" Telephone Banking
Cashcard
ATM's
EFTPOS

Cheque Payments:

Cheque Books
Counter Cheques

Electronic Payments/Transfers:

Direct Debits
Direct Credits
BPAY
Periodical Payments
Auto-Sweep

Statement Services:

Passbooks
Transaction Statements
Interest Statements
"Banklink" Business Statements

Deposit Accounts

Transaction Accounts:

Top Account
Pension Friendly Account
Young Achiever's Account
"Mortgage Muncher" 100%
Offset Account

Savings Accounts:

Bonus Plus Account
Christmas Club

Investment Accounts:

Cash Management Account
Self-Managed Superannuation Fund
Account

Foreign Exchange Services

Visa TravelMoney Card
Travellers Cheques
Foreign Cash
Drafts
Telegraphic Transfers
MoneyGram

Insurance Services

Home Insurance:

Buildings
Contents
Personal Valuables
Rental Properties

Motor Vehicle Insurance:

Private Motor
Business/Commercial Motor

Caravan/Trailer Insurance

Boat/Pleasure Craft Insurance

Commercial/Rural Insurance:

Business
Farms
Office Professionals
Tradespeople
Construction
Goods In Transit

Travel Insurance

Private Health Insurance

Funeral Benefits Fund

Personal Risk Insurance:

Term Life
Personal Accident and Illness

"Wealthpath" Financial Planning Services

Wealth Creation
Superannuation
Retirement Planning
Regular Savings Plans
Insurance Advice
Lump Sum Investments

Some products and services are offered by
arrangement with third parties - full details
on application.

directory of branches and agencies

PLEASE NOTE

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*CASHCARD MAY ALSO BE USED AT OTHER
AUTOMATIC TELLER MACHINES INCLUDING:

- All machines bearing the Cashcard symbol
- All ANZ Night and Day Banks
- All American Express-Express Cash locations
- All Westpac Handybanks
- All Commonwealth Autobanks

*Cashcard may be used to pay for goods or
services at any retail outlet where an EFTPOS
symbol is displayed.

CODE INFORMATION

- Cashcard Automatic Teller Machine
- Cashcard Cash Dispenser
- Home Loans Consultant available for consultation at this location
- Home Loans Consultant available for consultation at this location by appointment
- Open Saturday morning
- Medibank Private - Full service agency (new memberships, premium payments, cheque or cash claims, cover alterations)
- Medibank Private - service agency (new memberships, premium payments, cover alterations)
- Financial Planning Consultant available for consultation at this location
- Financial Planning Consultant available for consultation at this location by appointment

BUNDA BERG/BURNETT

BUNDA BERG 4670

- ● ● ● ● Head Office (Branch 1)
Wide Bay Capricorn House
16-20 Barolin Street or PO Box 1063
Phone: (07) 4153 7777 Facsimile: (07) 4153 7714
Administration
Direct Line (07) 4153 3644
Direct Facsimile (07) 4153 7714
Loans Consultant
Bill Beimers & Paul Rehbein
Direct Line (07) 4153 3650
Direct Facsimile (07) 4153 7711
Mobile - 0407 760 622
Financial Planning Consultant
Peter Hamilton
Phone 1300 138 832 Facsimile (07) 4153 7799

- ● 124 Bourbong Street (Branch 2)
Phone (07) 4153 7730 Facsimile (07) 4151 0701

- ● ● ● ● Shop 24 Hinkler Place (Branch 9)
Corner George & Maryborough Streets
Phone (07) 4152 0571 Facsimile (07) 4152 0823

- ● ● ● ● Shop 321 Sugarland Shoppingtown (Branch 72)
Takalvan Street
Phone (07) 4152 3632 Facsimile (07) 4151 3892

- ● ● ● ● BARGARA 4670
Bargara Beach Plaza (Branch 80)
Shop 3 See Street or PO Box 8110
Phone (07) 4159 0088 Facsimile (07) 4159 0288

- ● ● ● ● GAYNDAH 4625
28 Capper Street or PO Box 45 (Branch 45)
Phone (07) 4161 1738

- ● ● ● ● MONTO
36-38 Newton Street 4630 (Branch 55)
Phone (07) 4166 1436 Facsimile (07) 4166 1263

MARYBOROUGH/FRASER COAST

- ● ● ● ● MARYBOROUGH 4650
230 Adelaide Street or PO Box 147 (Branch 7)
Phone (07) 4121 2297 Facsimile (07) 4123 3526
Loans Consultant
Barry Hancock Mobile 0414 705 283

- ● ● ● ● Shop 33 Station Square Shopping Centre (Branch 70)
Corner Alice & Lennox Streets
Phone (07) 4122 3655 Facsimile (07) 4121 0882

- ● ● ● ● PIALBA, HERVEY BAY 4655
5 Torquay Road (Branch 10)
Phone (07) 4128 3210 Facsimile (07) 4124 6182
Loans Consultant
Cameron Cowell Mobile 0419 021 294

- ● ● ● ● URANGAN, HERVEY BAY 4655
Urangan Central (Branch 76)
Shop 2A, Corner Boat Harbour Dr & Elizabeth St
Phone (07) 4124 9400 Facsimile (07) 4125 5678

- ● ● ● ● GLADSTONE/PORT CURTIS
GLADSTONE 4680
78 Goondoon Street or PO Box 518 (Branch 3)
Phone (07) 4972 3400 Facsimile (07) 4972 2130
Loans Consultant
Cheryl Lee Mobile 0418 736 569

- ● ● ● ● KIN KORA 4680
Shop 19 Kin Kora Centre (Branch 15)
Phillip Street
Phone (07) 4978 3000 Facsimile (07) 4978 6974 4978 6974

BOYNE ISLAND 4680

- ● ● ● ● Shop 8 Boyne Plaza Shoppingtown (Branch 62)
Corner Centenary Dr & Wyndham Av
Ph/Fax (07) 4973 7750

GYMPIE

- ● ● ● ● GYMPIE 4570
102 Mary Street or PO Box 324 (Branch 20)
Phone (07) 5482 5555 Facsimile (07) 5482 1835
Loans Consultant
Margaret Fleming

- ● ● ● ● Shop 14 Goldfields Plaza (Branch 67)
Monklands Street
Phone (07) 5482 5555 Facsimile (07) 5482 7122

SUNSHINE COAST/HINTERLAND

- ● ● ● ● COOROY 4563
Shop 1, 1 Emerald Street (Branch 59)
Phone (07) 5447 6872 Facsimile (07) 5447 7822
Society Preferred ATM
ANZ Bank
Corner Emerald St & Maple Lane

TEWANTIN 4565

- ● ● ● ● 94 Poinciana Avenue or PO Box 998 (Branch 18)
Phone (07) 5449 7149 Facsimile (07) 5474 3133

NOOSA HEADS 4567

- ● ● ● ● Shop 18A, Noosa Junction Plaza (Branch 19)
Sunshine Beach Road
Phone (07) 5447 4755 Facsimile (07) 5449 2430
Society Preferred ATM
ANZ Bank
23 Sunshine Beach Road

NAMBOUR 4560

- ● ● ● ● Shop 12, Nambour Central Mall (Branch 83)
Lowe Street
Phone (07) 5476 2099 Facsimile (07) 5476 2699
Financial Planning Consultant
Linda Harrington
Phone 1300 138 832 Facsimile (07) 5476 2699
Society Preferred ATM
ANZ Bank
66 Currie Street

MAROOCHYDORE 4558

- ● ● ● ● Shop 2, Ryan's Plaza (Branch 69)
Corner Ocean Street & Horton Parade
or PO Box 592
Phone (07) 5479 2077 Facsimile (07) 5443 9225
Loans Consultant
Tony Pearson Phone 1300 138 831 or Mobile - 0419 647 281
Society Preferred ATM
Westpac Bank
Corner Ocean Street & Horton Parade

CALOUNDRA 4551

- ● ● ● ● Shop 1, Caloundra City Centre (Branch 66)
Corner Bulcock & Minchinton Streets or PO Box 781
Phone (07) 5491 7761
Facsimile (07) 5491 7827
Society Preferred ATM
ANZ Bank
55 Bulcock Street

ROCKHAMPTON, THE CAPRICORN COAST & EMERALD

- ● ● ● ● ROCKHAMPTON 4700
124 East Street (Branch 73)
(On the mall) PO Box 1491
Phone (07) 4927 1944 Facsimile (07) 4922 7054

NORTH ROCKHAMPTON 4701

- ● ● ● ● Shop 83, Rockhampton Shopping Fair (Branch 74)
Yaamba Road or PO Box 3201
Phone (07) 4928 0502 Facsimile (07) 4928 1050
Loans Consultant
Sally Fairley
Mobile 0409 614 038
Direct Line (07) 4928 0522

YEPPOON 4703

- ● ● ● ● 6 James Street or PO Box 1240 (Branch 65)
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Loans Consultant
Chris Ward Mobile 0408 779 767
Society Preferred ATM
The Rock Building Society
Keppel Bay Plaza, James Street

EMERALD 4720

- ● ● ● ● 50 Borilla Street or PO Box 787 (Branch 31)
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Loans Consultant
Andrea Wright

MACKAY

- ● ● ● ● MACKAY 4740
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Corner Victoria St & Mangrove Rd
Phone (07) 4951 1992 Facsimile (07) 4951 1958
Loans Consultant
Kristian Foxon Mobile 0408 197 674
Society Preferred ATM
Mackay Permanent Building Society
71 Victoria Street

SOUTH EAST

- ● ● ● ● SOUTHPORT/GOLD COAST 4215
Level 3, Connaught Centre (Branch 61)
26 Marine Parade or PO Box 1827
Phone (07) 5591 7988 Facsimile (07) 5591 5754
Loans Consultant
Carmel Gibb
Society Preferred ATM
ANZ Bank
81 Scarborough Street

CABOOLTURE/MORAYFIELD/BRIBIE ISLAND

- ● ● ● ● Suite 1, 156 Morayfield Road (Branch 57)
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Phone (07) 5495 5499 Facsimile (07) 5495 3801
Loans Consultant
Keith Murray - Mobile 0417 732 599
Society Preferred ATM
ANZ Bank
156 Morayfield Road

INTERSTATE

- ● ● ● ● Sydney
PO Box 6222, Blacktown NSW 2148
or 7/30 Foundry Road, Seven Hills NSW 2147
PH: (02) 9842 1202 Facsimile (02) 9842 1270

- ● ● ● ● Melbourne
245 Middleborough Road, Box Hill VIC 3128
PH: (03) 9246 1332 Facsimile (03) 9246 1323

- ● ● ● ● Adelaide
78 - 82 Richmond Road, Keswick SA 5035
PH: (08) 8201 1136 Facsimile (08) 8201 1199

financial statements

wide bay capricorn building society ltd

for the year ended 30 June 2000

profit and loss account

for the year ended 30 June 2000

	Notes	CONSOLIDATED		CHIEF ENTITY	
		\$	\$	\$	\$
		2000	1999	2000	1999
Interest revenue	2	53,470,695	43,211,953	53,754,049	43,525,602
Interest expense	2	35,448,028	26,719,060	35,626,188	26,719,060
Net interest revenue		18,022,667	16,492,893	18,127,861	16,806,542
Non interest revenues	3	6,127,405	3,965,216	4,772,033	3,704,277
Total operating income		24,150,072	20,458,109	22,899,894	20,510,819
Bad and doubtful debts expense	3	1,335	(181,494)	1,335	(181,494)
Other expenses	3	16,620,619	14,192,533	15,634,819	14,394,220
Operating profit before income tax		7,528,118	6,447,070	7,263,740	6,298,093
Income tax attributable to operating profit	4	2,562,500	1,991,291	2,448,351	1,931,364
Operating profit after income tax		4,965,618	4,455,779	4,815,389	4,366,729
Outside equity interest in operating profit		76,125	49,712		
Operating profit attributable to shareholders		4,889,493	4,406,067	4,815,389	4,366,729
Retained profits at the beginning of the financial year		4,338,302	3,729,788	4,503,199	3,932,603
Total available for appropriation		9,227,795	8,135,855	9,318,588	8,299,332
Transfer to statutory reserve		39,577	1,420		
Dividends provided for or paid	5	4,347,938	3,796,133	4,347,938	3,796,133
Retained profits at the end of the financial year		4,840,280	4,338,302	4,970,650	4,503,199

balance sheet

as at 30 June 2000

	Notes	CONSOLIDATED		CHIEF ENTITY	
		\$	\$	\$	\$
		2000	1999	2000	1999
ASSETS					
Cash and liquid assets	6	5,301,884	8,205,533	4,330,535	7,924,753
Receivables due from other financial institutions	7	3,507,195	11,907,195	3,507,195	11,907,195
Receivables	8	4,332,585	1,991,508	4,277,679	1,957,901
Investment securities	9	111,327,268	90,812,684	111,327,268	90,812,684
Loans and advances	10	777,633,282	608,856,035	396,679,455	402,739,191
Other investments	11	1,778,171	180,510	4,310,221	3,174,654
Property, plant & equipment	12	12,610,095	12,628,511	12,610,095	12,628,511
Other assets	13	7,394,168	6,724,479	2,430,436	1,741,643
TOTAL ASSETS		923,884,648	741,306,455	539,472,884	532,886,532
LIABILITIES					
Deposits	14	424,561,029	425,787,899	433,067,229	433,088,789
Payables due to other financial institutions	15	30,900,000	35,900,000	30,900,000	35,900,000
Accounts payable and other liabilities	16	398,373,706	220,790,870	6,872,528	5,281,979
Provisions	17	5,940,329	3,929,224	4,438,061	3,609,357
Subordinated capital notes	18	25,000,000	25,000,000	25,000,000	25,000,000
TOTAL LIABILITIES		884,775,064	711,407,993	500,277,818	502,880,125
NET ASSETS		39,109,584	29,898,462	39,195,066	30,006,407
MEMBERS' FUNDS					
Parent entity interest in equity					
Share capital	19	23,559,487	15,122,519	23,559,487	15,122,519
Reserves	20	10,705,925	10,382,109	10,664,929	10,380,689
Retained profits		4,840,280	4,338,302	4,970,650	4,503,199
Total parent entity interest in equity		39,105,692	29,842,930	39,195,066	30,006,407
Outside equity interest in controlled entities					
Share capital	21	5,555	5,555		
Retained profits		(1,663)	49,977		
Total outside equity interest		3,892	55,532		
TOTAL MEMBERS' FUNDS		39,109,584	29,898,462	39,195,066	30,006,407

statement of consolidated cashflows

for the year ended 30 June 2000

	Notes	CONSOLIDATED		CHIEF ENTITY	
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		2000	1999	2000	1999
Interest received		53,768,051	43,118,121	54,391,105	43,432,835
Dividends received		4,163	149,102	39,723	149,102
Borrowing costs		(36,204,228)	(26,678,166)	(36,380,966)	(26,678,166)
Other non interest income received		10,850,721	4,143,361	5,483,016	3,792,889
Cash paid to suppliers & employees		(20,040,313)	(13,738,538)	(16,595,900)	(13,954,103)
Income tax paid		(1,926,431)	(1,498,051)	(1,844,060)	(1,498,051)
NET CASH FLOWS FROM OPERATING ACTIVITIES	22	6,451,963	5,495,829	5,092,918	5,244,506
CASH FLOWS FROM INVESTING ACTIVITIES					
Net increase in investments securities		22,384,170	28,574,129	22,384,170	28,574,129
Net increase in amounts due from other financial institutions		(10,369,586)	2,565,870	(10,369,586)	2,565,870
Net increase in loans		167,939,745	81,917,676	168,333,639	82,297,697
Net increase in other investments		1,647,661	(2,181,067)	1,575,266	(12,596)
Purchase of non current assets		677,099	780,898	677,099	780,898
Proceeds from sale of property, plant & equipment		(1,000)	-	(1,000)	-
NET CASH USED IN INVESTING ACTIVITIES		182,278,089	111,657,506	182,599,588	114,205,998
CASH FLOWS FROM FINANCING ACTIVITIES					
Net increase in deposits and other borrowings		(1,974,334)	47,901,794	(1,112,123)	50,760,662
Net increase in amounts due to other financial institutions and other liabilities		171,325,597	55,541,043	171,325,596	55,221,831
Proceeds from share issue		5,277,643	1,451,813	5,277,643	1,451,813
Dividends paid		(1,623,104)	(3,657,532)	(1,578,664)	(3,657,532)
Refund of capital to outside interest		(83,325)	-		
NET CASH FLOWS FROM FINANCING ACTIVITIES		172,922,477	101,237,118	173,912,452	103,776,774
NET INCREASE IN CASH HELD		(2,903,649)	(4,924,559)	(3,594,218)	(5,184,718)
Cash at beginning of financial year		8,205,533	13,130,092	7,924,753	13,109,471
CASH AT END OF FINANCIAL YEAR		5,301,884	8,205,533	4,330,535	7,924,753
For the purposes of the Statement of Cashflows, cash includes cash on hand and deposits on call. The cash at the end of the year can be agreed directly to the Balance Sheet.					

notes to and forming part of the accounts

for the year ended 30 June 2000

NOTE 1

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report has been prepared in accordance with the historical cost convention except for certain assets which are at valuation. The accounting policies adopted are consistent with those of previous years. The accounts of the Society have been prepared in accordance with the accounting concepts, standards and disclosure requirements of the Australian accounting bodies, Urgent Issues Group Consensus Views, Accounting Standards and the requirements of law, so far as they are applicable to Building Societies.

a) DEPRECIATION

Depreciation is provided on a straight line basis on all property, plant and equipment other than freehold land.

Depreciation periods for major categories 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.

b) EMPLOYEE ENTITLEMENTS

Contributions made to employee superannuation funds are charged as an expense when incurred.

c) CHANGES IN COMPARATIVE FIGURES

Where necessary comparative figures for 1999 have been adjusted to conform with accounts disclosures adopted in 2000.

d) LOANS AND ADVANCES - DOUBTFUL DEBTS

All Society loans, excluding staff share loans, 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 secured by registered mortgage over residential property. With respect to the staff share loans these loans are secured by a lien over the relevant shares and dividends. 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 debt is in respect of overdrawn savings accounts and relevant non recoverable amounts.

e) RECOVERABLE AMOUNT

The carrying amounts of all assets are reviewed at least annually to determine whether they are in excess of their recoverable amount. If the carrying amounts of the assets exceed the recoverable amount, the asset is written down to the lower value. Expected net cash flows have not been discounted in determining recoverable amounts.

f) REVENUE RECOGNITION

Dividend income is taken into profit when received. Fees and commissions are recognised as revenue or expenses on an accrual basis.

notes to and forming part of the accounts

for the year ended 30 June 2000

g) INCOME TAX

Tax-effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences. The timing differences that occur on items between accounting treatment and taxation treatment are reflected as a future income tax benefit or a provision for deferred income tax calculated at the prevailing income tax rates. The income tax expense has been calculated at 36%, however the future tax benefit and deferred tax balances have been calculated at 30%, recognising the year to which the majority of these balances are attributed. This adjustment has been charged to the income tax expense.

h) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements are those of the consolidated entity, comprising Wide Bay Capricorn Building Society Ltd (the parent entity) and all entities controlled by Wide Bay Capricorn Building Society Ltd during the year and at balance date. The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

i) SECURITISED LOANS

The Society has since June 1997 funded its loan activities by an increasing use of securitisation of the Society's mortgages. These securitisation programmes are on balance sheet and appropriate provisioning of capital adequacy applies. In accordance with accounting standard AASB 1014, an offset of the securitisation programme has been applied to the loans under management in the financial statements of the chief entity. As this then does not clearly reflect in the financial statements the total of the Society's asset portfolio including securitised loans, the Directors have for full disclosure adopted the policy in the consolidated financial statements of incorporating the loans under management as part of the total loans portfolio and the funding received as part of the Society's borrowings. (refer notes 10 and 16) It is considered for the information of shareholders that this provides more accurately the scope of the Society's activities. The costs associated with each securitisation programme are amortised over the life of the programme.

notes to and forming part of the accounts

for the year ended 30 June 2000

	Average Balance \$	CONSOLIDATED Interest \$	Average Interest Rate %
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.			
INTEREST REVENUE 2000			
Deposits with other financial institutions	12,777,622	795,016	6.22
Investment securities	50,529,064	2,638,378	5.22
Loans and advances	699,196,227	49,968,929	7.15
Other	1,353,862	68,372	5.05
	763,856,775	53,470,695	7.00
INTEREST EXPENSE 2000			
Deposits from other financial institutions	249,544,917	15,739,874	6.31
Customer deposits	472,151,694	17,895,598	3.79
Subordinated notes	25,000,000	1,812,557	7.25
	746,696,611	35,448,029	4.75
NET INTEREST REVENUE 2000		18,022,666	
INTEREST REVENUE 1999			
Deposits with other financial institutions	9,724,648	584,453	6.01
Investment securities	59,809,065	2,856,892	4.78
Loans and advances	564,198,681	39,701,380	7.04
Other	1,312,195	69,228	5.28
	635,044,589	43,211,953	6.80
INTEREST EXPENSE 1999			
Deposits from other financial institutions	159,969,242	8,569,081	5.36
Customer deposits	451,389,735	16,474,845	3.65
Subordinated notes	25,000,000	1,675,134	6.70
	636,358,977	26,719,060	4.20
NET INTEREST REVENUE 1999		16,492,893	

notes to and forming part of the accounts

for the year ended 30 June 2000

	CONSOLIDATED		CHIEF ENTITY	
	\$	\$	\$	\$
NOTE 3	2000	1999	2000	1999
OPERATING PROFIT				
Included in the operating profit are the following items of operating revenue:				
Interest revenue - (note 2)	53,470,695	43,211,953	53,754,049	43,525,602
Non interest revenue				
Dividends				
Controlled entities			35,560	-
Other corporations	4,163	149,102	4,163	149,102
Fees and commissions	4,092,223	2,643,990	4,092,223	2,643,990
Other revenue	1,006,867	937,323	639,087	682,062
Profit on disposal of investments	-	229,123	-	229,123
Profit on disposal of property, plant and equipment	1,000	-	1,000	-
Net earned premium revenue	1,023,152	5,678		
	6,127,405	3,965,216	4,772,033	3,704,277
Operating Revenue	59,598,100	47,177,169	58,526,082	47,229,879
The operating profit before income tax is arrived at after charging the following items:				
Bad and doubtful debts	1,335	(181,494)	1,335	(181,494)
Depreciation - property, plant and equipment	979,755	1,006,428	979,755	1,006,428
Fees and commissions	3,292,619	2,936,788	3,292,619	2,936,788
Operating leases	823,961	862,720	823,961	862,720
Provisions for employee entitlements	94,624	84,688	94,624	84,688
Loss on disposal of property, plant and equipment	-	1,388	-	1,388
General and administration expenses	10,550,893	9,292,054	10,443,860	9,502,208
Underwriting expenses	878,767	8,467		
Other expenses	16,620,619	14,192,533	15,634,819	14,394,220
Operating expenses	16,621,954	14,011,039	15,636,154	14,212,726

notes to and forming part of the accounts

for the year ended 30 June 2000

	CONSOLIDATED		CHIEF ENTITY	
	\$	\$	\$	\$
NOTE 4	2000	1999	2000	1999
INCOME TAX				
The prima facie tax on operating profit differs from the income tax provided as follows:				
Prima facie tax on operating profit	2,710,121	2,320,944	2,614,946	2,267,313
Tax effect of permanent differences				
Depreciation of buildings	30,115	29,998	30,115	29,998
Tax losses transferred from controlled entities	(249,093)	(234,334)	(262,583)	(247,823)
Underprovision in prior year	21,762	(188,461)	21,762	(188,461)
Other items - net	(53,672)	(42,716)	(72,646)	(49,013)
Amortisation of r & d investment	122,292	119,350	122,292	119,350
Put option surplus	(13,490)	(13,490)	-	-
Change of tax rate	(5,535)	-	(5,535)	-
Income tax expense attributable to operating profit	2,562,500	1,991,291	2,448,351	1,931,364
NOTE 5				
DIVIDENDS PROVIDED FOR OR PAID				
Dividend proposed				
Fully franked dividend on ordinary shares	2,187,230	1,995,359	2,187,230	1,995,359
Dividend paid during the year				
Interim for current year	2,160,708	1,800,774	2,160,708	1,800,774
Fully franked dividend on ordinary shares				
	4,347,938	3,796,133	4,347,938	3,796,133
Dividend paid during the year				
Final for previous year	1,995,359	1,856,758	1,995,359	1,856,758
Fully franked dividend on ordinary shares	1,995,359	1,856,758	1,995,359	1,856,758
The tax rate at which the dividends have or will be franked is 34% (1999 - 36%)				
The amount of franking credits available for the subsequent financial year are:				
Balance as at the end of the financial year	412,310	1,010,812	412,310	1,010,812
Credits that will arise from the payment of income tax payable per the financial statements	2,921,889	1,600,619	2,921,889	1,600,619
Debits that will arise from the payment of the proposed dividend	(2,187,230)	(1,995,359)	(2,187,230)	(1,995,359)
	1,146,969	616,072	1,146,969	616,072

notes to and forming part of the accounts

for the year ended 30 June 2000

	CONSOLIDATED		CHIEF ENTITY	
	\$	\$	\$	\$
NOTE 6	2000	1999	2000	1999
CASH AND LIQUID ASSETS				
Cash on hand and at banks	5,201,884	8,205,533	4,230,535	7,924,753
Deposits on call	100,000	-	100,000	-
	5,301,884	8,205,533	4,330,535	7,924,753
NOTE 7				
RECEIVABLES DUE FROM OTHER FINANCIAL INSTITUTIONS				
Interest earning deposits	2,000,000	10,000,000	2,000,000	10,000,000
Deposits with SSP's	1,398,954	1,298,954	1,398,954	1,298,954
Subordinated loans	108,241	608,241	108,241	608,241
	3,507,195	11,907,195	3,507,195	11,907,195
Maturity analysis				
Up to 3 months	-	8,500,000	-	8,500,000
No maturity specified	3,507,195	3,407,195	3,507,195	3,407,195
	3,507,195	11,907,195	3,507,195	11,907,195
NOTE 8				
RECEIVABLES				
Interest receivable	501,004	868,891	501,004	868,891
Other	3,831,581	1,122,617	3,776,675	1,089,010
	4,332,585	1,991,508	4,277,679	1,957,901
NOTE 9				
INVESTMENT SECURITIES				
Bills of exchange and promissory notes	29,279,310	51,518,137	29,279,310	51,518,137
Certificates of deposit	-	23,648,082	-	23,648,082
Notes - Securitisation programme	82,047,958	15,646,465	82,047,958	15,646,465
	111,327,268	90,812,684	111,327,268	90,812,684
Maturity analysis				
Up to 3 months	29,279,310	61,236,926	29,279,310	61,236,926
From 3 to 12 months	-	17,898,880	-	17,898,880
From 1 to 5 years	-	3,510,833	-	3,510,833
Later than 5 years	82,047,958	8,166,045	82,047,958	8,166,045
	111,327,268	90,812,684	111,327,268	90,812,684

notes to and forming part of the accounts

for the year ended 30 June 2000

	CONSOLIDATED		CHIEF ENTITY	
	\$	\$	\$	\$
NOTE 10	2000	1999	2000	1999
LOANS AND ADVANCES				
Term loans	316,235,874	338,091,039	316,235,874	338,091,039
Securitised loans under management (refer note 1.i)	386,058,163	210,827,286	-	-
Loan to controlled entity			5,104,333	4,710,439
Continuing credit loans	75,346,722	59,943,852	75,346,725	59,943,855
	777,640,759	608,862,177	396,686,932	402,745,333
Provision for impairment	7,477	6,142	7,477	6,142
Net loans and advances	777,633,282	608,856,035	396,679,455	402,739,191
Maturity analysis				
Up to 3 months	43,276	1,374	5,147,609	1,374
From 3 to 12 months	840,321	306,041	840,321	5,016,480
From 1 to 5 years	4,834,987	4,632,360	4,834,987	4,632,360
Later than 5 years	771,914,698	603,916,260	385,856,538	393,088,977
	777,633,282	608,856,035	396,679,455	402,739,191
Concentration of risk				
The loan portfolio of the Society does not include any loan which represents 10% or more of capital.				
Provision for impairment				
Specific provision				
Opening balance	6,142	187,636	6,142	187,636
Bad and doubtful debts provided for during the year	1,335	(181,494)	1,335	(181,494)
Total provision for impairment	7,477	6,142	7,477	6,142
Charge to profit and loss for bad and doubtful debts comprises:				
Specific provision	1,335	(181,494)	1,335	(181,494)
Bad debts recognised directly	-	-	-	-
	1,335	(181,494)	1,335	(181,494)

notes to and forming part of the accounts

for the year ended 30 June 2000

	CONSOLIDATED		CHIEF ENTITY	
	\$	\$	\$	\$
NOTE 11	2000	1999	2000	1999
OTHER INVESTMENTS				
Unlisted shares	1,778,171	180,510	1,722,451	180,510
Controlled entities			2,587,770	2,994,144
	1,778,171	180,510	4,310,221	3,174,654

Investment in controlled entities comprises:

Name	Country of incorporation	2000 %	1999 %	Contribution to consolidated operating profit after income tax	Investment carrying value		
Chief entity							
Wide Bay Capricorn Building Society Ltd							
Building Society Ltd	Australia			4,815,389	4,366,729		
Controlled entities							
WBC No 1 Pty Ltd	Australia	100	100	(16,719)	(11,017)	-	339,695
WBC No 2 Pty Ltd	Australia	100	100	-	-	-	2
WBC No 3 Pty Ltd	Australia	100	100	-	-	-	2
WBC No 4 Pty Ltd	Australia	100	100	-	-	-	2
Fincom Pty Ltd	Australia	44	44	25,353	39,777	87,770	154,443
Mortgage Risk Management Pty Ltd							
Management Pty Ltd	Australia	100	100	65,470	10,578	2,500,000	2,500,000
				4,889,493	4,406,067	2,587,770	2,994,144

Mortgage Risk Management Pty Ltd is a wholly owned subsidiary of Wide Bay Capricorn Building Society Ltd and is a registered lender's mortgage insurance provider. The company acts solely for the purpose of insuring the Society's residential mortgages and has received APRA and AFIC approval. The Society's operations are subject to and under the supervision of APRA in respect of compliance and capital requirements. The Society's exposure to risk is limited with a major reinsurance contract in place with one of the larger world reinsurers.

The Society has a controlling interest in Fincom Pty Ltd through its right to exercise in excess of 50% of the voting rights. Fincom Pty Ltd has an interest in QSI Payments Inc. which has developed e-commerce software marketed to financial institutions throughout the world. The Society holds 44% of the capital of Fincom Pty Ltd and it is anticipated that QSI Payments Inc. will develop its base over the next period and are contemplating a possible NASDAQ listing within the next 12 months. Through its holding in Fincom Pty Ltd, the Society has an indirect interest of 952,475 shares in QSI Payments Inc. and following Fincom exercising their rights to participate in future issues to maintain existing equity, the Society purchased a further 333,431 shares for a total investment of US\$ 903,934 (A\$ 1,517,942) at a cost of US\$ 2.711 per share, as a result of an equity purchase by Goldman Sachs and Associates at that rate.

WBC No 1 Pty Ltd, WBC No 2 Pty Ltd, WBC No 3 Pty Ltd and WBC No 4 Pty Ltd were registered for the sole purpose of enabling the Society to undertake research and development projects. The benefits of the projects for the group are in the form of tax benefits passed on to the chief entity as a consequence of research and development expenditure and purchase of core technology. Projects may earn royalty income in future years and any such income will be brought to account in the year in which it is earned. WBC No 1 Pty Ltd, WBC No 2 Pty Ltd and WBC No 3 Pty Ltd were disposed of in July 2000.

notes to and forming part of the accounts

for the year ended 30 June 2000

	CONSOLIDATED		CHIEF ENTITY	
	\$	\$	\$	\$
NOTE 12	2000	1999	2000	1999
PROPERTY, PLANT AND EQUIPMENT				
Freehold land and buildings				
At independent valuation - June 2000 (1999 - June 1997)	10,620,000	10,906,000	10,620,000	10,906,000
Provision for depreciation	-	405,850	-	405,850
	10,620,000	10,500,150	10,620,000	10,500,150
Plant and equipment				
At cost	9,655,546	9,017,305	9,655,546	9,017,305
Provision for depreciation	7,665,451	6,888,944	7,665,451	6,888,944
	1,990,095	2,128,361	1,990,095	2,128,361
	12,610,095	12,628,511	12,610,095	12,628,511
Land and buildings were all revalued as at 30 June 2000 by independent registered valuers:				
N L Maddern FAPI of Maddern Valuation Services				
G W Litherland FAPI and C L Roffey AAPI of Herron Todd White Valuers.				
I D Clarkson AAPI, B.Bus (RPVA) of Clarkson & Thomas Valuations				
The valuations were based on current market values. The society's policy is to revalue freehold land and buildings every three years. In valuing freehold land and buildings, the Directors have not taken into account the potential impact of capital gains tax on the grounds that such assets are an integral part of the Society's operations and there is no intention to sell the assets.				
NOTE 13				
OTHER ASSETS				
Prepayments	2,520,598	1,888,384	2,430,436	1,741,643
Future income tax benefit:				
attributable to timing differences	734,063	944,824	734,063	944,824
offset against provision for deferred tax	(734,063)	(944,824)	(734,063)	(944,824)
Research and development, at cost	4,873,570	4,836,095	-	-
	7,394,168	6,724,479	2,430,436	1,741,643

notes to and forming part of the accounts

for the year ended 30 June 2000

	CONSOLIDATED		CHIEF ENTITY	
	\$	\$	\$	\$
NOTE 14	2000	1999	2000	1999
DEPOSITS				
Call deposits	148,526,673	143,874,798	148,526,673	143,874,798
Term deposits	276,034,356	281,913,101	284,540,556	289,213,991
	424,561,029	425,787,899	433,067,229	433,088,789
Maturity analysis				
On call	148,402,851	143,874,798	148,526,673	143,874,798
Up to 3 months	252,513,218	184,868,096	255,791,363	184,868,096
From 3 to 12 months	23,644,960	96,037,543	28,749,193	96,037,543
From 1 to 5 years	-	1,007,462	-	8,308,352
	424,561,029	425,787,899	433,067,229	433,088,789
The Society's deposit portfolio does not include any deposit which represents 10% or more of total liabilities.				
NOTE 15				
PAYABLES DUE TO OTHER FINANCIAL INSTITUTIONS				
Secured loans	30,900,000	35,900,000	30,900,000	35,900,000
Maturity analysis				
Up to 3 months	30,000,000	35,000,000	30,000,000	35,000,000
From 3 to 12 months	900,000	900,000	900,000	900,000
	30,900,000	35,900,000	30,900,000	35,900,000
These loans are secured by charges held over registered mortgage documents.				

notes to and forming part of the accounts

for the year ended 30 June 2000

	CONSOLIDATED		CHIEF ENTITY	
	\$	\$	\$	\$
NOTE 16	2000	1999	2000	1999
ACCOUNTS PAYABLE AND OTHER LIABILITIES				
Trade creditors	2,451,487	1,035,997	2,451,487	1,035,997
Accrued interest payable	3,933,307	4,018,391	3,933,307	4,018,391
Other creditors	826,416	147,961	487,734	227,591
Loan - research and development project	5,104,333	4,761,234	-	-
Loans under management (refer note 1.i)				
WB Trust No 1 - securitised loans	-	31,363,429	-	-
WB Trust 1998 - securitised loans	191,641,910	179,463,858	-	-
WB Warehouse Trust No 1 - securitised loans	194,416,253	-	-	-
	398,373,706	220,790,870	6,872,528	5,281,979
Maturity analysis				
Up to 3 months	11,227,784	4,485,001	5,784,769	4,108,624
From 3 to 12 months	1,006,328	5,701,542	1,006,328	853,488
From 1 to 5 years	81,431	210,604,327	81,431	319,867
Later than 5 years	386,058,163	-	-	-
	398,373,706	220,790,870	6,872,528	5,281,979
The loan for research and development is secured by deposits held with the Society.				
NOTE 17				
PROVISIONS				
Dividends on ordinary shares	2,188,255	1,996,432	2,188,255	1,996,432
Taxation	1,600,230	900,348	1,505,215	900,348
Employee entitlements	712,248	671,315	712,248	671,315
Deferred tax	761,738	973,076	761,738	973,076
Less: Offset against future income tax benefit	(734,063)	(944,824)	(734,063)	(944,824)
Other	1,411,921	332,877	4,668	13,010
	5,940,329	3,929,224	4,438,061	3,609,357
NOTE 18				
SUBORDINATED CAPITAL NOTES				
Inscribed debenture stock	25,000,000	25,000,000	25,000,000	25,000,000
Maturity analysis				
Later than 5 years	25,000,000	25,000,000	25,000,000	25,000,000

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notes to and forming part of the accounts

for the year ended 30 June 2000

	Shares	\$	Shares	\$
NOTE 19	2000	2000	1999	1999
ISSUED CAPITAL - ORDINARY SHARES				
Balance at beginning of year	17,350,948	15,122,519	16,879,617	13,670,705
Issued during the year				
Dividend reinvestment plan	839,214	2,787,255	395,331	1,229,606
Staff Share plan	193,750	656,813	76,000	225,720
Private issue - 7 December 1999	1,500,000	5,100,000	-	-
Less share issue costs	-	(107,100)	-	(3,512)
Balance at end of year	19,883,912	23,559,487	17,350,948	15,122,519

CONSOLIDATED	CHIEF ENTITY
\$	\$

	2000	2000	1999	1999
Staff Share Plan				
20 October 1999 - 193,750 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 Stock 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.				
The total number of shares issued to employees during the financial year was	193,750	76,000	193,750	76,000
The total market value at date of issue, 20 October 1999 (20 October 1998) was	707,188	249,280	707,188	249,280
The total amount paid or payable for the shares at that date was	656,813	225,720	656,813	225,720
Dividend Reinvestment Plan				
8 October 1999 - 598,096 ordinary shares were issued				
14 March 2000 - 241,118 ordinary shares were issued				
Shares issued pursuant to the Society's dividend reinvestment plan were at a price of 95% of the weighted average price of the Society's shares traded on the Australian Stock Exchange for the 10 days following the books closing date for the dividend.				

notes to and forming part of the accounts

for the year ended 30 June 2000

	CONSOLIDATED		CHIEF ENTITY	
	\$	\$	\$	\$
NOTE 20	2000	1999	2000	1999
RESERVES				
Movements in reserves				
Share premium reserve				
Balance at beginning of year	-	9,450,801	-	9,450,801
Transfer of balance to the Share Capital account in accordance with the Company Law Review Act 1998	-	(9,450,801)	-	(9,450,801)
Balance at end of year	-	-	-	-
Special reserve				
Balance at beginning of year	1,750,181	2,333,575	1,750,181	2,333,575
Transfer to General Reserve	(583,394)	(583,394)	(583,394)	(583,394)
Balance at end of year	1,166,787	1,750,181	1,166,787	1,750,181
Asset revaluation				
Balance at beginning of year	1,870,679	1,870,679	1,870,679	1,870,679
Increase due to revaluation at 30 June 2000	284,240	-	284,240	-
Balance at end of year	2,154,919	1,870,679	2,154,919	1,870,679
Statutory reserve - Building Societies Fund Act 1993				
Balance at end of year	2,676,071	2,676,071	2,676,071	2,676,071
General reserve				
Balance at beginning of year	4,083,758	3,500,364	4,083,758	3,500,364
Transfer from special reserve	583,394	583,394	583,394	583,394
Balance at end of year	4,667,152	4,083,758	4,667,152	4,083,758
Statutory claims equalisation reserve				
Balance at beginning of year	1,420	-		
Transfer from profit and loss appropriation	39,576	1,420		
Balance at end of year	40,996	1,420		
Total Reserves	10,705,925	10,382,109	10,664,929	10,380,689
NOTE 21				
OUTSIDE EQUITY INTEREST				
Reconciliation of outside equity interest in controlled entities:				
Opening balance	55,532	5,820		
Share of operating (profit)/loss	76,125	49,712		
Less dividends	(44,440)	-		
Less refund of capital	(83,325)	-		
Closing balance	3,892	55,532		

notes to and forming part of the accounts

for the year ended 30 June 2000

	CONSOLIDATED		CHIEF ENTITY	
	\$	\$	\$	\$
NOTE 22	2000	1999	2000	1999
STATEMENT OF CASH FLOWS				
Reconciliation of operating profit after tax to the net cash flows from operations:				
Operating profit after income tax	4,965,618	4,455,779	4,815,389	4,366,729
Depreciation	979,755	1,006,428	979,755	1,006,428
(Profit)/Loss on disposal of fixed assets	(1,000)	1,388	(1,000)	1,388
(Increase)/Decrease in Assets				
Accrued interest on investments	(488,908)	331,077	(488,908)	331,077
Prepayments	(572,104)	(588,378)	(572,104)	(588,378)
Inventories	8,797	20,685	8,797	20,685
Sundry debtors	6,673,791	(1,202,931)	3,337,926	(1,174,583)
Future income tax benefit	210,760	228,938	210,760	228,938
Increase/(Decrease) in Liabilities				
Increase in creditors & accruals	(5,844,101)	505,345	(3,685,273)	374,652
Increase in deferred tax payable	(211,338)	159,569	(211,338)	159,569
Increase in income tax payable	636,069	493,241	604,290	433,313
Increase in employee entitlement provisions	94,624	84,688	94,624	84,688
Net cash flows from operating activities	6,451,963	5,495,829	5,092,918	5,244,506
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.				
NOTE 23				
EXPENDITURE COMMITMENTS				
Capital expenditure commitment				
Capital expenditure contracted for within one year	48,208	87,794	48,208	87,794
Lease expenditure commitments				
Non cancellable operating leases				
Up to 1 year	636,762	681,201	636,762	681,201
From 1 to 2 years	337,862	501,519	337,862	501,519
From 2 to 5 years	414,475	414,682	414,475	414,682
Later than 5 years	471	12,460	471	12,460
Total lease expenditure	1,389,570	1,609,862	1,389,570	1,609,862

notes to and forming part of the accounts

for the year ended 30 June 2000

	CONSOLIDATED		CHIEF ENTITY	
	\$	\$	\$	\$
NOTE 24	2000	1999	2000	1999
EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS				
Employee entitlements				
The aggregate employment entitlement liability is comprised of: Provisions - (note 17)	712,248	671,315	712,248	671,315
NOTE 25				
CONTINGENT LIABILITIES AND CREDIT COMMITMENTS				
Approved but undrawn loans	35,865,751	46,391,112	35,865,751	46,391,112
Approved but undrawn credit limits	17,022,257	15,200,530	17,022,257	15,200,530
	52,888,008	61,591,642	52,888,008	61,591,642
NOTE 26				
EARNINGS PER SHARE				
Basic earnings per share (cents per share)	25.96	25.74		
There were no other securities on issue during the year that could be converted to ordinary shares. Diluted earnings per share is therefore the same as basic earnings per share. The weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	18,835,502	17,114,420		
NOTE 27				
REMUNERATION OF DIRECTORS				
Income paid or payable, or otherwise made available, in respect of the financial year, to all Directors of each entity in the economic entity, directly or indirectly, by the entities of which they are Directors or any related party.				
Directors remuneration and superannuation	942,820	867,100	655,820	613,100
Remuneration for individual Directors fell within the following income bands:				
\$30,000 - \$39,999	3	3	3	3
\$50,000 - \$59,999	-	1	-	1
\$60,000 - \$69,999	2	1	1	-
\$190,000 - \$199,999	-	1	-	-
\$220,000 - \$229,999	1	-	-	-
\$440,000 - \$449,999	-	1	-	1
\$470,000 - \$479,999	1	-	1	-

notes to and forming part of the accounts

for the year ended 30 June 2000

	CONSOLIDATED		CHIEF ENTITY	
	\$	\$	\$	\$
NOTE 28	2000	1999	2000	1999
REMUNERATION OF EXECUTIVE OFFICERS				
Remuneration received or due and receivable by executive officers of the economic entity whose remuneration is \$100,000 or more, from entities in the economic entity or a related party, in connection with the management of the affairs of the entities in the economic entity whether as an executive officer or otherwise.				
Executive officers remuneration and superannuation	695,200	637,000	695,200	637,000
Remuneration for individual executive officers fell within the following income bands:				
\$190,000 - \$199,999	-	1	-	1
\$220,000 - \$229,999	1	-	1	-
\$440,000 - \$449,999	-	1	-	1
\$470,000 - \$479,999	1	-	1	-
NOTE 29				
REMUNERATION OF AUDITORS				
Amounts received or due and receivable by the auditors of the Society for:				
an audit or review of the financial statements of the entity and any other entity in the economic entity	48,001	46,809	48,001	46,809

NOTE 30

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 within the States of Queensland, New South Wales, Victoria and South Australia.

NOTE 31

CONCENTRATION OF ASSETS AND LIABILITIES

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

notes to and forming part of the accounts

for the year ended 30 June 2000

	CONSOLIDATED		CHIEF ENTITY	
	\$	\$	\$	\$
NOTE 32	2000	1999	2000	1999
RELATED PARTY DISCLOSURES				
Directors				
The Directors of Wide Bay Capricorn Building Society Ltd who served during the year were Messrs. J H Fell, R E Hancock, K G McBride, J F Pressler and P J Sawyer. Each of the Directors, relatives of Directors 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.				
Loan to Managing Director				
A loan to R E Hancock has been made in accordance with the staff share plan on the same terms and conditions as loans to other participants. The loan is repayable over 5 years at 0% interest, with the loan being secured by a lien over the relevant shares. No breach of the terms of the loan has occurred.				
Amounts advanced during the year	177,568	-	177,568	-
Loan repayments	24,587	-	24,587	-
Balance at end of year	152,981	-	152,981	-
A loan to R E Hancock has been made in accordance with the normal terms and conditions offered by the Society. No breach of the terms and conditions of the loan has occurred.				
Redraw of advance repayments	200,000	350,000	200,000	350,000
Interest earned included in the determination of operating profit	3,482	7,265	3,482	7,265
Loan repayments	-	357,265	-	357,265
Balance at end of year	203,482	-	203,482	-
Transactions with other related parties				
The following persons and entities related to Directors 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.				
P J Sawyer of Hancock Sawyer Corpe provides professional accountancy and financial planning advice aggregating:	4,667	6,926	4,667	6,926

notes to and forming part of the accounts

for the year ended 30 June 2000

	CONSOLIDATED		CHIEF ENTITY	
	\$	\$	\$	\$
	2000	1999	2000	1999
Hancock Sawyer Corpe also occupy premises owned by the Society and pay rental at a commercial rate in respect of office accommodation:	92,352	91,380	92,352	91,380
J H Fell provides secretarial and administrative services for the operation of the Society's agencies at Gympie at a fee determined by the Board aggregating:	440,000	440,000	440,000	440,000
He was a principal in the firm of Meltwood Pty Ltd until 1 July 2000, which occupies premises owned by the Society at Mary Street, Gympie. Rental has been assessed by an independent valuer at market value totalling:	45,243	45,243	45,243	45,243
L R Hancock, a related party by virtue of being a brother of R E Hancock, is a partner of McCullough Robertson Hancock, Solicitors. The Society paid fees to McCullough Robertson Hancock during the year, predominantly for the preparation of mortgage documentation in addition to general professional advice aggregating:	868,939	627,023	868,939	627,023
The aggregate number of shares held by Directors and Director related entities at the end of the year was:			2,844,746	2,655,712
The aggregate number of shares acquired by Directors and Director related entities during the year was:			242,152	293,447
The aggregate number of shares disposed of by Directors and Director related entities during the year was:			53,118	258,628
No options have been issued by the Society.				
NOTE 33				
SUBSEQUENT EVENTS				
Subsequent to the Balance Sheet date, the Society has received an ex-gratia payment from the Queensland Government in respect of the Building Society's Fund of \$1,782,800.				
This will be brought to account in the profit of the Society in 2000/2001.				
This distribution is subject to normal taxation and will be added to the Society's capital and reserves to supplement capital adequacy.				

notes to and forming part of the accounts

for the year ended 30 June 2000

NOTE 34

FINANCIAL INSTRUMENTS

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	Balance Sheet Notes	Accounting Policies	Terms and Conditions
Financial Assets			
Short term deposits	6 7	Short term deposits are stated at the lower of cost and net realisable values. Interest is recognised when earned.	Short term deposits have an effective interest rate of 5.51% (1999 - 4.10%)
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 the lower of cost and net realisable value.	Bills of exchange and promissory notes have an effective interest rate of 5.64% (1999 - 4.96%)
Certificates of deposit	9	Certificates of deposit are carried at cost. Interest revenue is recognised when earned.	Certificates of deposit have an effective interest rate of 5.31% (1999 - 5.08%)
Notes	9	Notes are carried at the principal amount.	These notes are an overcover required as part of the securitisation of loans. They are non interest bearing.
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 their recoverable amount.	All home loans and home equity loans 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 fully secured against a put option, which is enforceable during the year ended 30 June 2001. Certain of the Society's loans have been securitised and continue to be managed by the Society. Further details are disclosed in note 10.

notes to and forming part of the accounts

for the year ended 30 June 2000

NOTE 34 Cont

FINANCIAL INSTRUMENTS

Recognised Financial Instruments	Balance Sheet Notes	Accounting Policies	Terms and Conditions
Financial Liabilities			
Deposits	14	Deposits are recorded at the principal amount.	Details of maturity of the deposits are set out in note 14. Interest is calculated on the daily balance.
Due to other financial institutions	15	The borrowings are carried at the principal amount. Interest is charged as an expense as it accrues.	These borrowings are secured by charges held over registered mortgage documents.
Securitised loans	16	Securitised loans are carried at the principal amount. Interest is charged as an expense as it accrues.	These are loans under management per note 10.
Trade creditors, other creditors and accruals.	16	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	17	Dividends payable are recognised when declared by the company.	Dividends payable represent a final dividend on ordinary shares for the financial year ended 30 June 2000. Further details are disclosed in note 5.
Subordinated capital notes	18	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.

notes to and forming part of the accounts

for the year ended 30 June 2000

	Total carrying amount per the balance sheet		Aggregate net fair value	
	\$	\$	\$	\$
NOTE 34 Cont	2000	1999	2000	1999
FINANCIAL INSTRUMENTS				
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:				
Financial assets				
Cash and liquid assets	5,301,884	8,205,533	5,301,884	8,205,533
Receivables due from other financial institutions	3,507,195	11,907,195	3,514,695	11,946,570
Receivables	2,864,205	1,924,767	2,864,205	1,924,767
Investment securities	111,327,268	90,812,684	111,647,958	94,081,465
Loans and advances	777,011,647	608,602,021	779,506,728	610,107,274
Other investments	1,722,451	180,510	1,722,451	180,510
Other	2,184,091	1,197,055	2,184,091	1,197,055
Total financial assets	903,918,741	722,829,765	906,742,012	727,643,174
Financial liabilities				
Deposits	424,561,029	425,787,899	423,170,761	424,225,876
Payables due to other financial institutions	30,900,000	35,900,000	30,784,125	35,765,375
Accounts payable and other liabilities	398,373,706	221,110,737	397,173,335	220,353,944
Provisions	2,932,845	2,654,657	2,932,845	2,654,657
Subordinated capital notes	25,000,000	25,000,000	25,000,000	25,000,000
Total financial liabilities	881,767,580	710,453,293	879,061,066	707,999,852

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

Cash and liquid assets

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

Receivables due from other financial institutions

The fair values of receivables are estimated using discounted cash flow institutions analysis, based on current lending rates for similar types of investments.

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.

notes to and forming part of the accounts

for the year ended 30 June 2000

NOTE 34 Cont

FINANCIAL INSTRUMENTS

Other investments

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

Other

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

Deposits

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

Payables 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.

Accounts payable 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.

Provisions

The carrying amount approximates fair value.

Subordinated capital notes

The carrying amount approximates fair value.

Credit risk exposure

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.

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 within the states of Queensland, New South Wales, Victoria and South Australia. The majority of customers are concentrated in Australia.

Credit risk in loans receivable is managed by protecting all home loans and home equity loans 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.

NOTE 34 Cont

FINANCIAL INSTRUMENTS

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:				Non interest bearing		Total carrying amount per the balance sheet		Weighted average effective interest rate	
	\$ 2000	\$ 1999	\$ 2000	\$ 1999	\$ 2000	\$ 1999	\$ 2000	\$ 1999	\$ 2000	\$ 1999	% 2000	% 1999
Financial assets												
Cash and liquid assets	4,722,484	6,102,732	-	-	-	-	579,400	2,102,801	5,301,884	8,205,533	5.51	4.10
Receivables due from other financial institutions	1,412,195	1,312,195	2,000,000	10,500,000	-	-	95,000	95,000	3,507,195	11,907,195	5.31	5.08
Receivables	-	-	-	-	-	-	2,864,205	1,924,767	2,864,205	1,924,767	-	-
Investment securities	10,984,383	1,889,586	29,279,310	75,166,219	-	-	71,063,576	13,776,879	111,327,269	90,812,684	5.64	4.96
Loans and advances	498,919,178	399,737,882	181,276,817	160,730,026	96,815,651	48,134,113	-	-	777,011,646	608,602,021	7.06	7.01
Other investments	-	-	-	-	-	-	1,722,451	180,510	1,722,451	180,510	-	-
Other	-	-	-	-	-	-	2,184,091	1,197,055	2,184,091	1,197,055	-	-
Total financial assets	516,038,240	409,022,395	212,556,127	246,396,245	96,815,651	48,134,113	78,308,723	19,277,012	903,918,741	722,829,765		
Financial liabilities												
Deposits	148,402,851	143,874,798	252,513,218	246,256,504	23,644,960	33,656,597	-	-	424,561,029	425,787,899	3.95	3.71
Payables due to other financial institutions	-	-	30,900,000	35,900,000	-	-	-	-	30,900,000	35,900,000	6.05	5.52
Accounts payable and other liabilities	-	-	320,098,920	201,811,642	-	-	78,274,786	19,299,095	398,373,706	221,110,737	5.73	5.33
Provisions	-	-	-	-	-	-	2,932,845	2,654,657	2,932,845	2,654,657	-	-
Subordinated capital notes	-	25,000,000	25,000,000	-	-	-	-	-	25,000,000	25,000,000	7.25	6.70
Total financial liabilities	148,402,851	168,874,798	628,512,138	485,968,146	23,644,960	33,656,597	81,207,631	21,953,752	881,767,580	710,453,293		

directors' declaration

for the year ended 30 June 2000

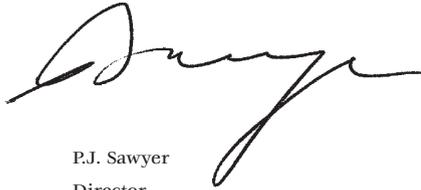
In the opinion of the Directors of Wide Bay Capricorn Building Society Ltd:

- (a) The financial statements and notes of the Society and of the consolidated entity, have been prepared in accordance with accounting standards applicable under the Corporations Law for the year ended 30 June 2000 and
- (b) The financial statements and notes for the year ended 30 June 2000 present a true and fair view of the financial position and performance of the Society and consolidated entity.
- (c) As at the date of this statement there are reasonable grounds to believe that the Society will be able to pay its debts as and when they become due and payable.

Signed on behalf of the Board of Directors of Wide Bay Capricorn Building Society Ltd in accordance with a Resolution of the Board.



R.E. Hancock
Director



P.J. Sawyer
Director

7 September 2000
Bundaberg

independent audit report to the members of wide bay capricorn building society ltd

for the year ended 30 June 2000

Scope

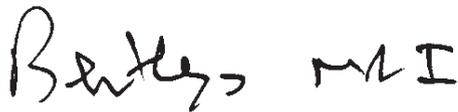
We have audited the financial statements of the Society for the financial year ended 30 June 2000 as set out on pages 28 to 54. The financial statements include the consolidated financial statements of the consolidated entity comprising the Society and the entities it controlled at year's end or from time to time during the financial year. The Directors of the Society are responsible for the financial statements. We have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the Society.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements 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 statements are presented fairly and in accordance with Accounting Standards, other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the Society'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.

Audit Opinion

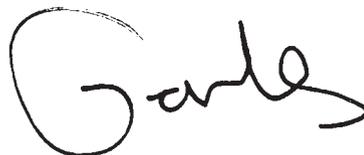
In our opinion, the financial report of the Society is in accordance with:

- (a) the Corporations Law, including:
 - (i) giving a true and fair view of the Society's and consolidated entity's financial position as at 30 June 2000 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.



BENTLEYS MRI
Chartered Accountants

Brisbane, 7 September 2000



R J Forbes
Partner

directors' statutory report

for the year ended 30 June 2000

REVIEW OF OPERATIONS

The consolidated net profit after income tax for the year was \$4,889,493 representing an increase of 10.97% over the previous year. Total assets were \$923,884,648 including on balance sheet securitised assets, representing a growth for the year of 24.63%. Loans for the year amounted to \$257,280,750 an increase of 46.91% for the year.

During the year a private placement of 1,500,000 shares was made, raising \$5.1 million in additional capital.

There have been no changes in the principle activities of the Society during the financial year, which is a provision of banking facilities, including the raising of funds on deposits and the provision of housing finance over mortgages secured by residential property and insured with a registered lender's mortgage insurer.

During the year the Society insured all loans approved with the Society's wholly owned subsidiary, Mortgage Risk Management Pty Ltd, a registered lender's mortgage insurer. The Society continued to raise a portion of its funding for loans through the expansion of a securitisation programme.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR AND FUTURE DEVELOPMENTS.

The Society received an ex-gratia payment of \$1,782,799.90 from the Queensland Government in respect of the Building Societies Fund, which will be brought to account in the profit of the Society for 2000/2001. This distribution is subject to normal taxation and will be added to the Society's capital and reserves to supplement capital adequacy.

There has been no matter or circumstance since the end of the year that will significantly effect the results of operations in future years or the state of affairs of the Society.

The Board expects the operations for the ensuing year to be consistent with the current activities and with the growth of the Society's assets and loan book expects an increase will result in the trading results for the ensuing year.

DIVIDENDS

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

- An interim fully franked ordinary dividend of 11 cents per share was paid on 14 March 2000 (9 April 1999 – 10.5 cents).
- A fully franked ordinary dividend of 11 cents per share has been declared by the Directors and will be paid on 3 October 2000 (8 October 1999 – 11.5 cents).

DIRECTORS

There have been no changes to the Directors of the Society during the year. The Directors of the Society in office as at the date of this report were:-

MR JOHN H FELL F.C.A., F.I.F.S.

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 partner of Fell Laird, Chartered Accountants of Gympie and is a director of Mortgage Risk Management Pty Ltd.

MR RONALD E HANCOCK F.C.A., F.I.F.S.

Mr Hancock is the Managing Director of the Society. He was a foundation director and manager of the Burnett Permanent Building Society formed in 1966, which in 1979 amalgamated with the Maryborough Permanent Building Society to form Wide Bay Capricorn Building Society.

Mr Hancock is a member of the Institute of Chartered Accountants and a director of Cashcard Australia Ltd, Fincom Pty Ltd and Mortgage Risk Management Pty Ltd.

MR KERRY G McBRIDE A.I.F.S.

Mr McBride was appointed to the Board in 1987. He is a recently retired partner of Corser Sheldon & Gordon, Solicitors of Maryborough and Hervey Bay.

directors' statutory report

for the year ended 30 June 2000

MR JOHN F PRESSLER A.I.E.S.

Mr Pressler is Chairman of the Society. He was appointed to the Board in 1988. He is a prominent figure in Emerald's agricultural and horticultural industries and is a director of P & H Rural.

MR PETER J SAWYER F.C.A., A.I.E.S.

Mr Sawyer has been a director of the Society since 1987. He is a partner of the firm Hancock Sawyer Corpe, Chartered Accountants of Bundaberg and Maryborough.

All Directors are members of the Audit Committee.

During the financial year, 13 meetings of the Society's Directors and 3 meetings of the Society's Audit Committee were held, in respect of which each Director of the Society attended the following number:

	BOARD MEETING	AUDIT COMMITTEE
J F Pressler	12	3
R E Hancock	13	3
J H Fell	13	3
P J Sawyer	11	3
K G McBride	12	3

DIRECTORS' SHAREHOLDINGS

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

ORDINARY SHARES

R E Hancock	1,601,708
J H Fell	509,149
P J Sawyer	433,001
K G McBride	300,888

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 303,743 shares.

RELATED PARTY DISCLOSURE

No Directors of the Society have during or since the end of the financial year received or become entitled to receive a benefit by reason of a contract made by the Society except for the following: -

Mr John Fell who provided secretarial and administrative services for the operation of the Society's agencies at Gympie at a fee determined by the Board from time to time aggregating \$440,000 (1999 - \$440,000). He was a principal in the firm of Meltwood Pty Ltd, which partly occupies premises owned by the Society at Mary Street, Gympie. Rental has been assessed by an independent valuer at market value totalling \$45,243 (1999-\$45,243).

Mr Peter Sawyer of Hancock Sawyer Corpe, provides professional accountancy and financial planning advice for an aggregate fee of \$4,667(1999 - \$6,926). Hancock Sawyer Corpe also partly occupy premises owned by the Society and pay rental at a commercial rate in respect of office accommodation amounting to \$92,352 (1999 - \$91,380).

The transactions have occurred within a normal supplier - customer relationship on terms and conditions no more favourable than those that are available to other suppliers.

DIRECTORS AND OFFICERS REMUNERATION

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 for non-executive directors are approved by the shareholders. The individual

directors' statutory report

for the year ended 30 June 2000

allocation of those fees is approved at the Annual General Meeting of shareholders.

The remuneration of the Managing Director is a matter for the non-executive directors. Remuneration of senior executives is subject to the Remuneration Committee. 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.

The remuneration provided to directors and the five most highly remunerated officers are as follows:

	Base Salary \$	Chairmans Allowance \$	Superannuation \$	Total Remuneration \$
Non-Executive Directors				
JF Pressler	31,944	20,900	7,986	60,830
PJ Sawyer	31,944		7,986	39,930
KG McBride	31,944		7,986	39,930
JH Fell	31,944		7,986	39,930
Executive Director				
RE Hancock	401,917		73,283	475,200
Officers				
IR Pokarier	148,146		71,854	220,000
GW Savage	90,654		6,346	97,000
RC Linderberg	64,019		4,481	68,500
FM McLeod	62,617		4,383	67,000
CM Pokarier	58,411		4,089	62,500

INDEMNITIES AND INSURANCE PREMIUMS FOR OFFICERS AND AUDITORS

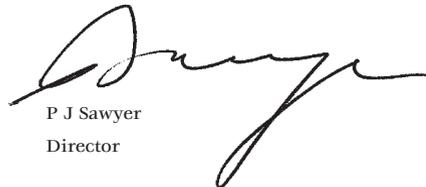
During the financial year the Society has paid premiums in respect of directors and officers liabilities and company reimbursement, directors and officers legal expenses and employment practices liability. Total premium was \$23,413.97

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
Director

7 September 2000
Bundaberg



P J Sawyer
Director

directors' statutory report

for the year ended 30 June 2000

ADDITIONAL STOCK EXCHANGE REQUIREMENTS

STOCK EXCHANGE

Wide Bay Capricorn Building Society Ltd shares are listed on the Australian Stock Exchange. The securities are permanent ordinary shares and at the date of this report there were 19,883,912 shares.

CORPORATE GOVERNANCE PRACTICES

The Board of Directors consists of five directors, four of whom are non-executive directors. An executive director is not eligible to be the Chairperson of the Society. The Board comprises directors with an appropriate range of qualifications and expertise and meets monthly to review a wide range of Society operations, assess performance levels and to participate in all discussions of Society performances and future activities.

The Managing Director is appointed by the Board in accordance with the Society's Constitution and retains that position at the discretion of the Board. Directors, as and when required, review the membership of the Board and recommend potential new Directors, having regard to the current structure of the Board. Retirement from the Board will be generally at the conclusion of the Annual General Meeting of the Society commencing next, after the Director attains the age of 72 years.

All Directors are entitled to seek professional independent advice at the Society's expense in respect to the furtherance of their duties.

A Remuneration Committee is comprised of the Chairman, Mr John Pressler and the Managing Director, Mr Ron Hancock - with the full Board ratifying remuneration levels.

An Audit Committee is comprised of the full Board, which oversees accounting, reports and disclosure activities, in addition to reviewing the interim and annual financial statements. It also reviews the activities and efficiencies of both the Internal and External Auditors and relationships with management.

As the need arises from time to time in the development of products or attending various requirements, subcommittees are appointed by the full Board to attend those functions comprising management and the directors as deemed necessary.

A high level of ethical standards is expected and risk management procedures are reviewed regularly and are in accordance with APRA standards, and procedures and standards adopted by the Society.

BOARD RESPONSIBILITIES

The Board is aware of its obligations and accountability to shareholders, as well as other regulatory and ethical expectations. The responsibility for the operation and administration of the Society is delegated by the Board to the chief executive officer and the executive team and monitored regularly by the Board.

SUBSTANTIAL SHAREHOLDERS

The Society's register of substantial shareholders recorded the following substantial shareholders interests:

	NO. OF SHARES	% OF TOTAL
Hancock, R E	1,601,708	8.05%
Drenwood Pty Ltd/ Skipglen Pty Ltd (Associated entities & associates)	1,276,910	6.42%

directors' statutory report

for the year ended 30 June 2000

VOTING RIGHTS OF SHAREHOLDERS

Voting rights of shareholders are governed by the Society's Rules. A shareholder is entitled to exercise one vote in respect of each fully paid permanent share held in accordance with the provisions of the Constitution.

DISTRIBUTION OF SHAREHOLDERS

As at 7 September, 2000

RANGE	NO. OF SHAREHOLDERS
1 - 1,000	436
1,001 - 5,000	937
5,001 - 10,000	280
10,001 - 100,000	238
100,001 - OVER	32

TOTAL NUMBER OF SHAREHOLDERS 1,923

45 shareholders held less than a marketable parcel.

LIST OF TOP 20 PERMANENT SHAREHOLDERS

As at 7 September, 2000

NAME	NO. OF SHARES	%
1. HANCOCK, R E & L P	785,998	3.95
2. DRENWOOD PTY LTD	776,957	3.91
3. CIC INSURANCE LIMITED	600,000	3.02
4. HANCOCK, R E	512,710	2.58
5. SKIPGLEN PTY LTD	499,953	2.51
6. SAWYER, K	481,374	2.42
7. SAWYER, P J T/F PETER SAWYER FAMILY FUND	430,631	2.17
8. CAULCO PTY LTD	340,000	1.71
9. OLSEN, R C	330,520	1.66
10. HESTEARN PTY LTD	303,743	1.53
11. COMMONWEALTH CUSTODIAL SERVICES LIMITED	302,000	1.52
12. McBRIDE, K G & P A	300,888	1.51
13. KENNEDY, J W & G J	278,710	1.40
14. HANCOCK, R E	253,458	1.27
15. EMMERTON, D R & C A (WARAMBUL SUPER FUND)	207,989	1.05
16. RUNGE, B	205,477	1.03
17. MERTAN PTY LTD (J & C FELL SUPER FUND A/C)	200,467	1.01
18. ORICA SECURITIES PROPRIETARY LIMITED	178,472	0.90
19. DIXSON TRUST PTY LTD (NO 1 A/C)	170,000	0.85
20. FELL, J H & C R	165,199	0.83
TOP 20 PERMANENT SHAREHOLDERS	7,324,546	36.83

directors' statutory report

for the year ended 30 June 2000

REGISTERED OFFICE

The registered office of the Society is:

5th Floor

Wide Bay Capricorn House

16-20 Barolin Street

Bundaberg

Telephone (07) 4153 7777

SECRETARY

The Secretary of the Society is Mr James Charles Aisthorpe.

SHARE REGISTER

The register of holders of permanent ordinary shares of the Society is kept at the office of National Registry Services Pty Ltd, Level 26, Riverside Centre, 123 Eagle Street, Brisbane, Queensland, telephone (07) 3221 2391

ON-MARKET BUY-BACK

There is no current on-market buy-back.

your notes



Head Office: Wide Bay Capricorn House
16-20 Barolin Street
Bundaberg Queensland 4670

Telephone: (07) 4153 7777

Facsimile: (07) 4153 7714

E-mail: widebaycap@widebaycap.com.au

Website: www.widebaycap.com.au