



26 August 2013

## **ASX MEDIA RELEASE**

# **Goldfields Money Limited (ASX: GMY) reports full year profit of \$196,709**

### **HIGHLIGHTS FOR THE FULL YEAR ENDED 30 JUNE 2013**

- **Created momentum for growth trajectory**
- **Statutory Net Profit after tax of \$196,706**
- **Revenue growth of 26% on the prior year, despite falling interest rate environment**
- **Lending portfolio growth of 70%**
- **\$45m in new loans funded during the year**
- **Deposit portfolio growth of 67%**
- **Capital adequacy ratio of 28.1% providing capacity for continuing growth**

**Goldfields Money Limited** ("Goldfields Money") is pleased to release the audited financial results for the period ended 30 June 2013. Following the demutualisation in May 2012, the company has achieved significant growth in its lending and deposit portfolios over the past 12 months, and lays the foundation for the generation of scale that can be expected to deliver future profitability. Net Profit After Tax (NPAT) for the period of \$196,709 was as guided and generally contemplated in the growth strategy. The decrease in profitability reflected the investment in business capability and capacity required to deliver future growth and scale, as well as net interest margin impacts from the RBA's successive interest rate cuts in the past 18 months totalling 1.75%.

Commenting on the performance to date and the continuing outlook, Mr David Holden, Managing Director said "whilst profitability is down on previous periods, Goldfields Money has invested heavily in growing the lending and deposit portfolios. This investment in risk management, compliance and distribution functions have been necessary to ensure Goldfields Money achieves a required scale of business that can be expected to deliver future profitability. The magnitude and frequency of the RBA's interest rate reductions has also constrained the result."

"Goldfields Money has achieved significant growth in its lending and deposit portfolios. It will commence FY'14 as a significantly stronger Authorised Deposit-Taking Institution and continues to have before it a range of growth opportunities. It's a matter of systematically managing the growth in deposits and loans in targeted market segments, whilst being cognisant of both generating an appropriate margin and risk profile." said Mr Holden.



Through the opening of the Perth Office and increased marketing in the Goldfields region, Goldfields Money has significantly increased its loan portfolio. This increased organic capacity and the opening of distribution channels through mortgage brokers has assisted this growth, whereby mortgage brokers have accounted for about half the loan growth in FY'13. Through continuing prudent lending and credit standards, the strong credit quality has continued with no evidence of material loan stress where loans greater than 90 days due are less than 0.01% of the total loan portfolio.

The weighted average Loan to Valuation Ratio (LVR) in the lending portfolio is approximately 64%. Consistent with our aims to diversify concentration risk, some 31% of the total loan portfolio has been sourced in the Perth metropolitan area.

Goldfields Money continues to have latent capacity in its balance sheet. The Board of Directors has adopted a minimum capital adequacy ratio policy of 20% which it considers to be both conservative and prudent in the initial stages of the growth strategy. A ratio of 20% implies available capacity of approximately \$44m of additional balance sheet growth i.e. to approximately \$160m in total assets. At targeted growth rates this capacity could be expected to be utilised towards June 2014.

Notwithstanding the demand for credit and in particular housing finance is expected to remain subdued over the year ahead, Goldfields Money is confident it will be able to continue to grow the lending book by targeting niche markets and focussed marketing efforts.

#### **About Goldfields Money Limited**

Goldfields Money Limited is the only Western Australian headquartered & ASX listed Authorised Deposit-taking Institution and is regulated by APRA. Formerly known as Goldfields Credit Union, the company was established in 1982 in Kalgoorlie and after 30 years servicing the Goldfields region through its branches in Kalgoorlie and Esperance, the Company demutualised and listed in the Australian Securities Exchange in May 2012. In January 2013 as part of its growth and diversification strategy, Goldfields Money opened its Perth office in the suburb of Claremont. Goldfields Money Customers are eligible to benefit from the Australian Government \$250,000 Guarantee on Deposits which is applicable to particular deposit products. Please refer to our website [www.goldfieldsmoney.com.au](http://www.goldfieldsmoney.com.au) for further information.

#### **Media Enquires**

David Holden, Managing Director, 0418 946 287