

22 February 2013

ASX MEDIA RELEASE

Goldfields Money Limited reports half year profit of \$103,511

HIGHLIGHTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

- **Statutory Net Profit after tax of \$103,511 in line with expectations**
- **Decrease in Net Profit after tax reflective of incurring upfront costs associated with executing long term growth strategy**
- **Net interest revenue up 9.5% to \$1,107,786 compared to corresponding prior period**
- **Annualised lending portfolio growth of 45.7% for the six months ended 31 December 2012 compared to 4.5% national credit growth***
- **Annualised deposit portfolio growth of 87% for the six months ended 31 December 2012**
- **Continuing strong credit quality – loans greater than 90 days due of less than 0.01% of total loan portfolio**
- **Capital adequacy of 30.8% down from 42.9% at 30 June 2012, largely due to being utilised by lending portfolio growth and liquidity holdings**
- **Average net interest margin of 2.62% compared to 3.68% for the prior corresponding period.**

Goldfields Money Limited (“Goldfields Money”) (ASX: GMY), the only Western Australian headquartered & ASX listed Authorised Deposit-taking Institution, today released its financial results for the six month period ended 31 December 2012. Net Profit after Tax (NPAT) for the period was \$103,511 which is a 63% decrease on the prior period. The profit result was in line with expectations and meets the objective to operate profitably in FY13 whilst implementing a growth strategy, which introduces new costs ahead of revenues.

The key milestone events for the Company during the period are reaching the \$100 million total assets position at 31 December 2012, the highest level of lending and deposit portfolio growth recorded in the Company’s history and the establishment of an office in the Perth suburb of Claremont.

*Source: <http://www.rba.gov.au/statistics/frequency/fin-agg/2012/fin-agg-1212.html>

Banking on Better Service

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Business performance

Commenting on the result, Managing Director David Holden said: “This is a good result for a period in which the Company has undergone, and will continue to undergo, significant change and transformation. Profitability has been protected despite costs associated with the growth strategy and the cumulative impact of six successive reductions in official cash rates, which contributed to the reduction in net interest margin. Credit quality is evidenced by continuing low levels of arrears and there are no signs to date of additional repayment stress with borrowers continuing to pay down debt and establish equity in the low interest rate environment.

“The volatility of markets and the economy continued from the 2012 financial year with mixed economic data on housing, retail spending, inflation and credit growth being released throughout the year. Despite this, Goldfields Money has been able to grow its loan portfolio by 46% and deposit portfolio by 87% on an annualised basis” Mr Holden said.

Performance Metric	1H'2013	1H'2012	% Change
Statutory NPAT	\$103,511	\$279,728	-63%
Normalised NPAT	\$103,511	\$392,542	-74%
Cost to Income Ratio (normalised)	94%	62%	32%
Net Interest Margin	2.62%	3.68%	-1.06%
	31 December 2012	30 June 2012	% Change
Assets	\$102,294,762	\$75,848,845	34.9%
Loans	\$60,289,296	\$49,062,795	22.9%
Deposits	\$86,603,962	\$60,315,619	43.6%
Net Tangible Assets	\$14,471,757	\$14,407,495	0.5%
Capital Adequacy Ratio	30.8%	42.9%	-12.1%

Normalised amounts have been derived from the amounts presented in previous financial reports and adjusted for demutualisation costs in the prior period. No demutualisation costs have been incurred in the current period.

Dividend

No dividend has been declared or paid for the half-year. The payment of future dividends will be considered after taking into account factors such as Goldfields Money's financial and operating results, financial condition, and current and anticipated cash flow requirements.

Outlook for remainder of FY2013

The Directors consider that the remainder of the 2013 financial year will see continued growth in both the lending and deposits portfolios. With exposure to the robust Western Australian economy, Goldfields Money is ideally positioned to deliver on its strategy.

On the outlook for the 2013 financial year, Mr Holden said: "Goldfields Money will continue to implement its strategic plan over the next 18 months as communicated to investors after last year's results were released. The focus to date has been on achieving funding targets to support lending growth which will lead to enhanced profitability. The implementation of Goldfields Money's growth strategy to date has been executed whilst maintaining profitability and as we continue to grow the business, we will generate scale from which future profits for the Company will be realised".

About Goldfields Money Limited

Goldfields Money Limited is an Authorised Deposit-taking Institution 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. Goldfields Money is the only Western Australian headquartered and ASX-listed Authorised Deposit-taking Institution, and in January 2013 opened its first Perth branch in the suburb of Claremont.

Media Enquires

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