



Banking on Better Service

Goldfields Money Limited (GMV)

ABN 63 087 651 849

Year End Results – 30 June 2013

26 August 2013

www.goldfieldsmoney.com.au

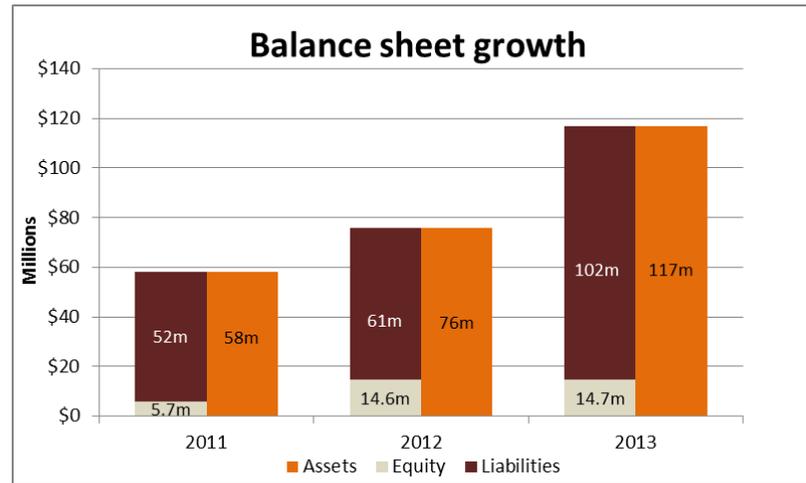
Disclaimer and Confidentiality



- This presentation contains certain forward looking statements with respect to the financial condition, results of operations, business plans and objectives of management. All such forward-looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies and other factors many of which are outside the control of Goldfields Money Limited (“Goldfields” or “GMY”), which may cause the results or actual performance to be materially different from the future results or performance expressed or implied by such forward-looking statements. Such forward-looking statements speak only as of the date of presentation.
- No presentation or warranty is or will be made by any legal or natural persons in relation to the accuracy or completeness of all or part of this document, or any constituent or associated presentation, information or material (collectively, the Information), or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in, or implied by, the information or any part of it. The information includes information derived from third party sources that has not been independently verified.
- To the full extent permitted by law, GMY disclaims any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.
- Nothing contained in the information constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.
- Financial data: All dollar values are in Australian dollars (A\$) unless otherwise stated.
- Disclaimer: To the maximum extent permitted by law, GMY, its officers, employees, agents and advisers disclaim all liability that may otherwise arise as a result of the use of, or reliance on, information in this document for any purpose.

Year End Results FY2013: Growth Trajectory

- Goldfields Money entered FY'2013 with a growth strategy which is tracking to anticipated trajectory, achieving significant loan and deposit growth towards its target of \$160m in total assets by 30 June 2014;



- The balance sheet growth achieved in FY'2013 provides a sound financial base to begin the transformation of the Company and thereby improve profitability in the future.
- Solid commencement to growth strategy:
 - Loan growth of 70% or over \$2.8m per month net
 - New lending averaging \$3.75m per month
 - Deposits growth of 67% or over \$3.25m per month
 - Total Assets as at 30 June 2013 \$117m versus \$76m in previous year

Year End Results FY2013: Growth Trajectory



- Net interest revenue up 12% to \$2.24m
- Net Profit After Tax of \$196,709 as guided and generally contemplated in growth strategy.
- FY'2013 profit was as expected materially impacted by deploying new resources (distribution, compliance and risk management) to cater for the substantial growth of the current year. This investment lays the necessary foundation for the Company's next phase of new business development opportunities and will only incur incremental administrative costs.
- Competitive product offering, with fast loan assessments and personal customer service proving an attractive value proposition and point of differentiation.
- Significant surplus capacity in capital & liquidity ratios to support ongoing growth.

Company Snapshot



Capital Structure

Shares	15,666,829
Last Share Price (12/8/13)	\$1.02
Market Capitalisation	\$15.98m
52 week High / Low	\$1.06 / \$0.765
Unlisted Options:	4,500,000
Total Shareholders (12/8/13)	2,158

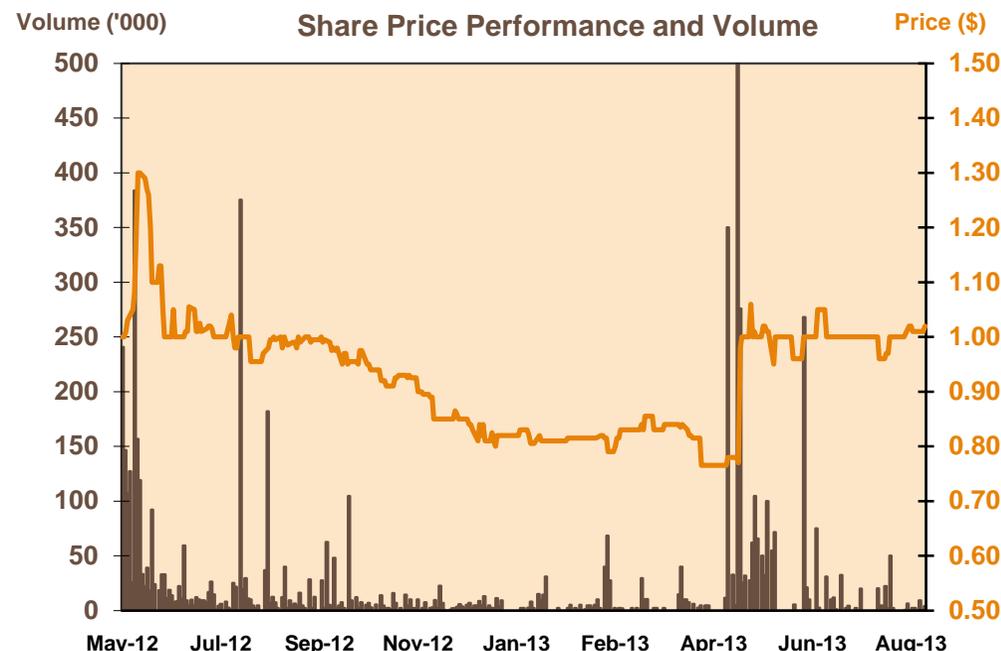
Top 10 Shareholders (as at 12 August 2013)

1.	Trio C Pty Ltd	15.0%
2.	JH Nominees Australia Pty Ltd*	8.1%
3.	Rocket Science Pty Ltd*	6.9%
4.	Dreampoint Investments Pty Ltd	3.7%
5.	Jasper Hill Resources Pty Ltd	2.3%
6.	Write Family Investments Pty Ltd	2.3%
7.	B F A Pty Ltd	2.3%
8.	The Goldfields Hotels Pty Ltd	2.3%
9.	Kemast Investments Pty Ltd	2.2%
10.	Wulura Investments Pty Ltd	2.2%

*Associated entities

Directors / Senior Management

Allan Pental	Non Executive Chairman
Bill McKenzie	Non Executive Director
Leigh Junk	Non Executive Director
Robert Bransby	Non Executive Director
David Holden	Managing Director
Michael Verkuylen	CFO and Company Secretary
Farley Fewkes	General Manager



Security: GMY					
Period: This Year & Last					
Rank	Broker	Total Value	Buy Qty	Sell Qty	%
1	Patersons	\$12,093,109	5,710,531	6,447,488	81.34
2	Commonwealth	\$1,115,150	854,967	287,574	7.50
3	RBS Morgans	\$601,030	517,726	85,535	4.04
4	Foster Stockbro	\$201,050	0	200,000	1.35
5	ALEX	\$160,892	76,800	71,878	1.08
6	E-Trade	\$123,548	59,219	69,176	0.83
7	Deutsche	\$104,287	7,000	89,000	0.70
8	Euroz	\$98,738	51,212	50,000	0.66
9	Bell Potter	\$87,659	47,000	45,946	0.59
10	Shaw	\$70,582	39,000	35,000	0.47

Source: IRESS

FY13 Financial Results Summary



- Net Interest Revenue up 12% to \$2,240,197.
- Created momentum in loan growth resulting in new lending an average of \$3.75m per month.
- Achieved deposit portfolio growth of \$3.25m per month.
- Statutory Net Profit after tax of \$196,709.
- Average net interest margin of 2.30% compared to 3.32% for the prior corresponding period.
- Net interest margins impacted due to magnitude and frequency of RBA's cash rate reductions, the structure of Goldfields Money's funding book and necessary use of mortgage brokers.
- Net interest margins across banking sector continued to be squeezed.
- Utilising Goldfields internally assessed minimum Capital Adequacy Ratio of 20%, the current regulatory equity base of \$13.9m would support a Balance Sheet of total assets of circa \$160m.

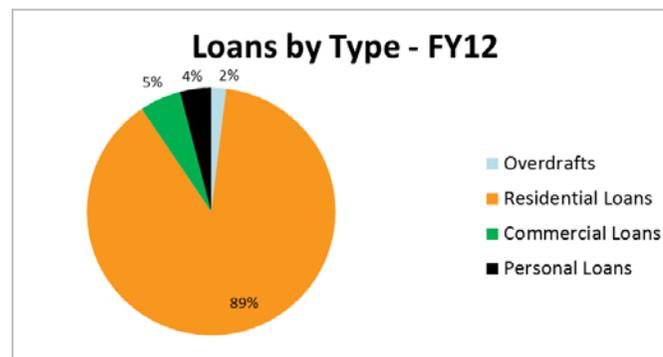
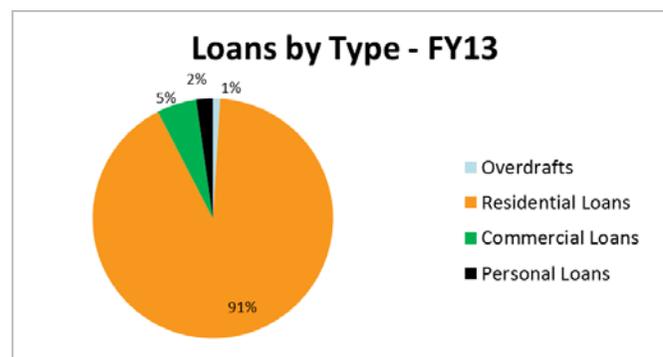
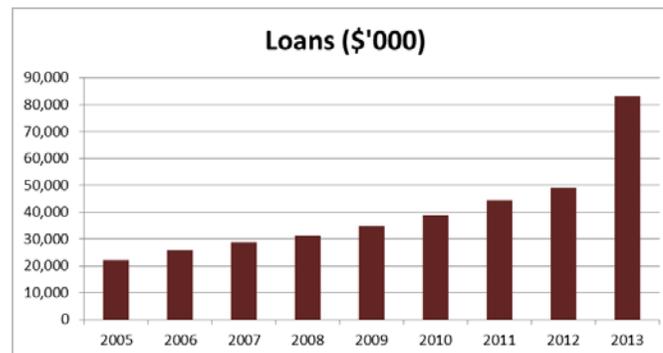
	2011	2012	2013	Change on FY12/FY13
Net Interest Revenue	\$1,889,025	\$2,000,336	\$2,240,197	12% ↑
Other Revenue	\$547,435	\$463,378	\$446,567	4% ↓
Impairment (Losses) / gains	(\$25,259)	\$14,114	\$17,278	22% ↑
Employment Expenses	(\$568,670)	(\$560,522)	(\$1,090,017)	94% ↑
Other Expenses	(\$1,410,966)	(\$1,345,177)	(\$1,443,008)	7% ↑
Statutory NPAT	\$348,167	\$468,451	\$196,709	58% ↓
Normalised NPAT	\$570,136	\$518,259	\$196,709	62% ↓
Net Interest Margin	3.85%	3.32%	2.30%	1.02%* ↓

	2011	2012	2013	Change on FY12/FY13
Assets	\$58,171,214	\$75,848,845	\$116,764,441	54% ↑
Loans	\$44,372,923	\$49,062,795	\$83,281,109	70% ↑
Deposits	\$51,322,147	\$60,315,619	\$100,682,597	67% ↑
Net Tangible Assets	\$5,558,313	\$14,407,495	\$14,405,446	0% ↓
Capital Adequacy ratio	21.1%	43.9%	28.1%	15.8%* ↓

*Expressed as an absolute change

Growing The Loan Book

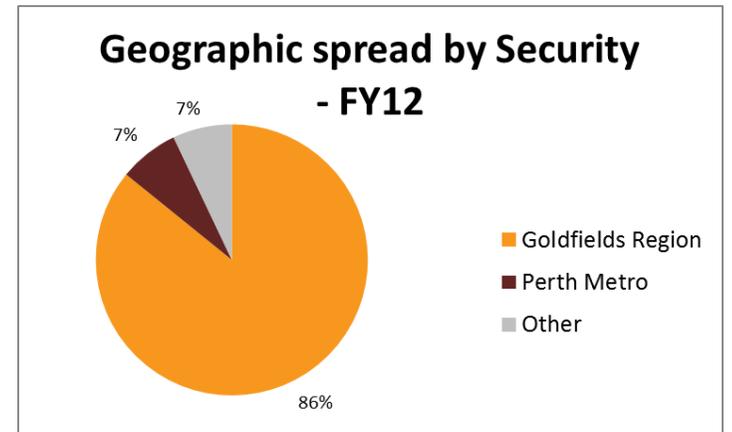
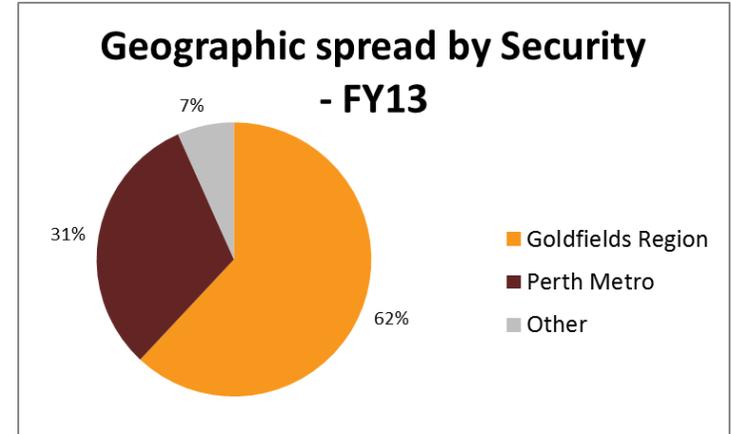
- Created strong momentum in loan growth in FY'2013 resulting in lending an average of \$3.75m per month.
- Housing loan growth of 75% compared to housing system growth of 4.6%pa.
- Accomplished in highly competitive market and higher than historical repayment levels.
- Risk appetite remains conservative, and well secured.



*Source: www.rba.gov.au/statistics-Monetary and Credit Statistics: June 2013 Financial Aggregates

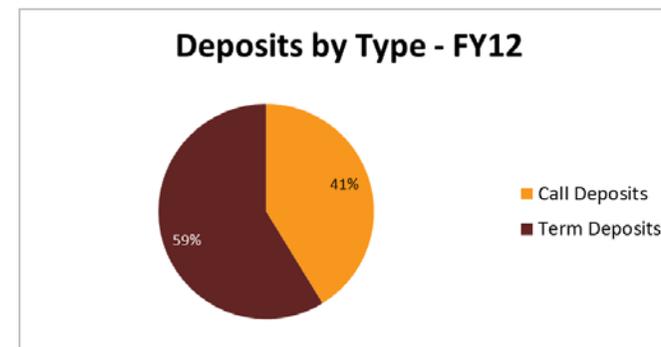
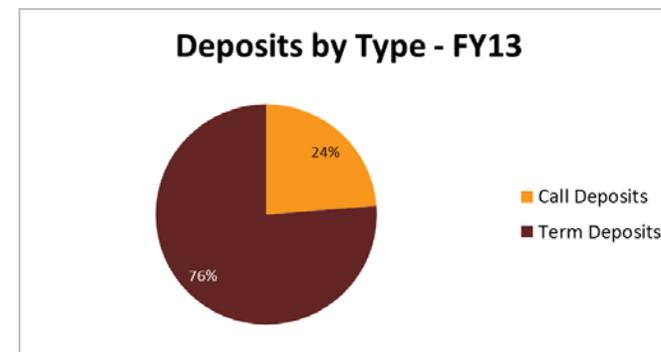
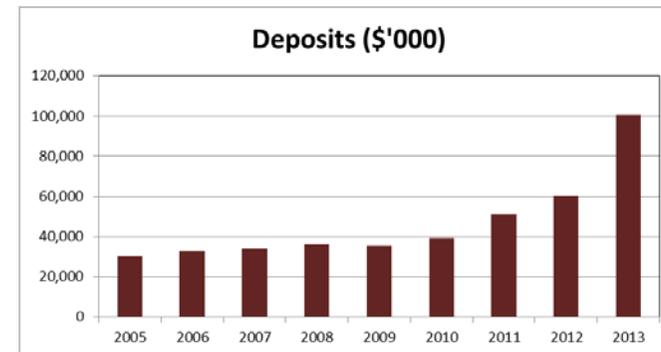
Growing The Loan Book

- \$45m in gross loans funded during year with approximately half being in Perth metropolitan market.
- Relationships developed with selected mortgage brokers has assisted growth strategy, with approximately half of total lending being referred from brokers.
- Use of mortgage brokers results in loss of some margin, but also assists in building the Goldfields Money brand across a broader customer base.



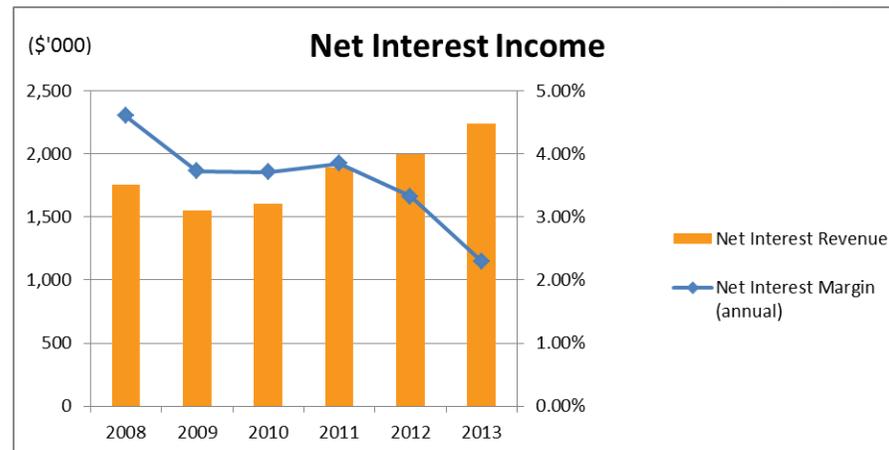
Sourcing Deposits

- Substantial deposit growth of 67% or \$3.25m per month.
- Creating loan growth momentum requires accelerating funding ahead of lending targets, resulting in trading some margin to achieve volumes.
- Higher rates on term deposits also assist in increasing brand awareness.
- Majority of growth has been from Term Deposits is anticipated to normalise towards a more historic ratio of at call deposits as business strategies take effect.
- FY'2014 will see launch of:
 - Cash Management Account;
 - Online savings account;
 - Enhanced children's and teens account.
- Depositors benefit from the \$250,000 Government Guarantee on deposits which has resonated with customers.



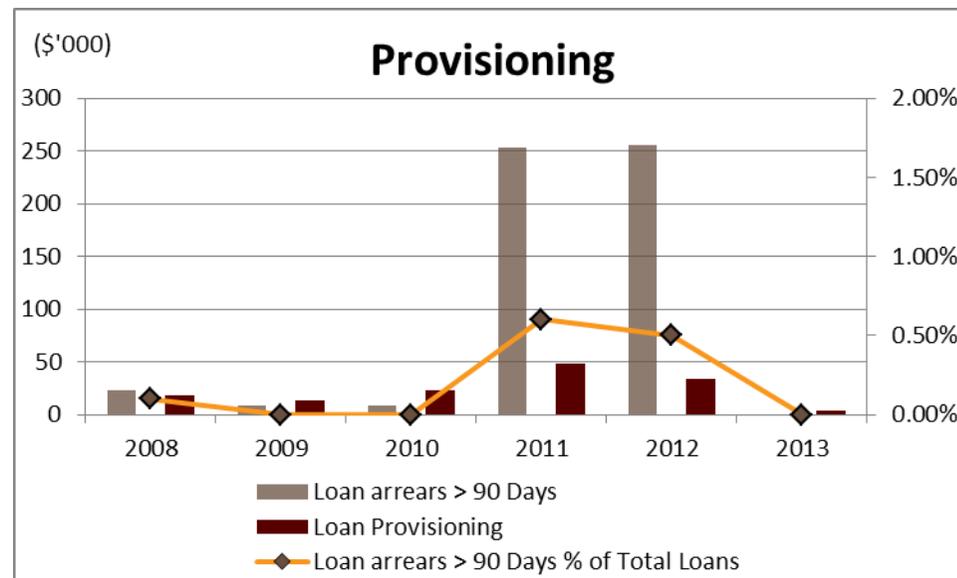
Net Interest Income and Margin

- The impact of seven successive reductions in official interest rates from 4.75% to 2.75% (as at 30 June 2013) has impacted net interest income as the benefit of low rate deposits diminishes.
- Competitive discounting on loan interest rates and 'stickiness' in Term Deposit rates will continue to put pressure on the net interest margins, particularly where interest rates reduce.
- Focus has been on generating sufficient funding to meet high loan growth targets. To fund growth, a greater proportion of more expensive term deposit funding has been necessary. This has also benefited through winning new customers.
- Use of mortgage brokers has also come at cost of some margin, but necessary to achieve volumes given their dominance in the market.
- New funding sources described above will assist in stabilising net interest margins as will additional higher margin lending.



Lending Quality – Ongoing Rigour

- Goldfields Money continues to benefit from a conservative loan book and rigorous credit processes.
- Provisioning and arrears levels as a percentage of total loans remain low and there is no evidence of increasing levels of arrears.
- Average portfolio Loan-to-Value Ratio is 64%.
- No evidence of unusual or higher levels of mortgage stress in loan book.



Year End 30 June (\$'000)	2013	2012	Change	Change (%)
Provisioning	4	34	(30)	(88%)
Provisioning % of Total Loans	<0.01%	0.07%	(0.07%)	(100%)
Loan arrears > 90 Days	0	253	(253)	0%
Loan arrears > 90 Days % of Total Loans	<0.01%	0.51%	(0.51%)	(100%)

- **Provisioning**
 - Loan book is currently well secured and modest arrears have been managed effectively. There is no intention to materially increase the risk profile. Geographic concentration risk is diminishing through expansion into Perth.
- **RBA Interest rate reductions**
 - Current structure of the loans and deposits portfolio reduces earnings when interest rates are reduced.
- **Competition**
 - Significant competition continues to exist for both loans and deposits including non-APRA regulated institutions.
- **Economy Deteriorates**
 - Global factors weigh on confidence in the Australian context. Western Australia continues to have a bright outlook relative to other locations.
- **Regulation**
 - Increasing compliance burden from Australian regulators in response to global factors.

- Goldfields Money's size and structure, as an ASX listed and licenced ADI, represents a unique platform for growth.
- Focused on growth and achieving required scale is critical to deliver sustainable returns, to be achieved through:
 - Increased penetration of existing Goldfields markets under customer relationships / service model
 - Continuing to build online / digital capability
 - Continuing use of selected mortgage brokers
 - Investment in partnerships/alliances to enhance capability
 - Margin management through additional deposit products and mortgage backed higher margin lending.
- FY'2014 is anticipated to be the year profitability begins to grow as function of FY'2013 investment in business and capability.

- Goldfields Money is a safe and sound West Australian institution, exposed to one of the more robust state economies in the world.
- Goldfields has made a solid start to the execution of its growth strategy both in terms of loan and deposit growth, but more particularly in the assemblage of capacity and capability, and the building of a brand.
- FY'2013 profitability was an expected reality as capacity and capability was put in place to execute the growth strategy.
- Clients deposits do benefit from the \$250,000 Government Guarantee which resonates with customers.
- As Goldfields' profit profile emerges it is the intention to pay fully franked dividends.
- Well regulated with an excellent team, Goldfields has set itself the task of growing a Western Australian financial institution so as to benefit all stakeholders.

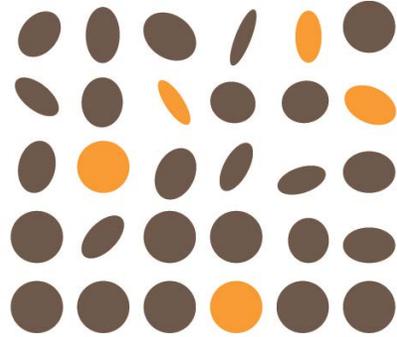
- About us
- Goldfields Money: People and Experience

- Listed in May 2012 following demutualisation, Goldfields Money Limited (“**Goldfields Money**”) is formerly known as Goldfields Credit Union.
- The only WA based listed Authorised Deposit-taking Institution.
- Strong base in the regional Goldfields of WA and expanding into other markets, starting with Perth.
- Established in Kalgoorlie in 1982, Goldfields Money has 3 branches in Kalgoorlie, Esperance and in the Perth suburb of Claremont. There are 12 staff in these three locations.
- A differentiated strategy of:
 - WA headquartered and focussed – only WA based listed ADI;
 - Develop key partnerships and distribution arrangements to achieve upscale;
 - Swift and nimble decision making;
 - Service: continue with service ethic and relationship banking;
 - Competitively priced;
 - No longer constrained by the ‘mutual banking’ model.

The Goldfields Money People – Experienced and Motivated



Allan Pandal <i>Chairman</i>	Director of GMY since 2002; Chairman of GMY since 2005; 22 years experience in banking; Currently partner in local Kalgoorlie real estate business
Bill McKenzie <i>Non Executive Director</i>	Director of GMY since 1994; Chairman of GMY 2003 to 2005; Principal in his own legal practice based in Kalgoorlie
Leigh Junk <i>Non Executive Director</i>	Director of GMY since 2004; Extensive corporate experience in the mining industry; Non-executive Director of a number of ASX listed mining companies
Rob Bransby <i>Non Executive Director</i>	Director of GMY since May 2012; Managing Director of HBF since 2008 after joining as group general manager in 2005; 25 years of banking experience; holding a number of senior positions at National Australia Bank
David Holden <i>Managing Director</i>	Managing Director of GMY since May 2012; based in Perth; 20 years experience in the Banking and Financial Services Industry; Chief Financial Officer at StateWest Credit Society and ASX Listed Home Building Society prior to merger with BOQ. Acted as Consultant to GMY Board during Demutualisation.
Michael Verkuylen <i>CFO / Co Sec</i>	CFO / Company Secretary of GMY since June 2012; based in Perth; Chartered Accountant with over 9 years experience; including in a number of Audit roles in Sydney and Perth with Ernst & Young.
Farley Fewkes <i>General Manager</i>	General Manager and Company of Secretary of GMY since 2005; Over 20 years experience with Commonwealth Bank; Based in Kalgoorlie



goldfields

M O N E Y

Banking on Better Service

Goldfields Money Limited (GMV)

www.goldfieldsmoney.com.au