



goldfields

M O N E Y

Banking on Better Service

Goldfields Money Limited (GMY)

ABN 63 087 651 849

Half Year Results – 31 December 2012

22 February 2013

www.goldfieldsmoney.com.au

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Half Year Results: 1H'2013 Largely to Plan



- Solid commencement to growth strategy:
 - Annualised Loan growth of 46%;
 - Annualised Deposits growth of 87%;
 - Total Assets reach \$100m.
- Revenue up 9.5% to circa \$1.1m.
- Net Profit After Tax down as expected to \$103,511.
- Opening of new office in the Perth suburb of Claremont; ideally located to benefit from a strong residential market.
- Feedback from service offering is proving an attractive value proposition and point of differentiation.
- Strong Capital & Liquidity ratios to support growth.
- Objective in FY13 is to operate profitably whilst implementing a growth strategy, which introduces new costs ahead of revenues.

Company Snapshot



Capital Structure

Shares	15,666,829
Last Share Price (19/2/13)	\$0.82
Market Capitalisation	\$12.85m
High / Low	\$1.30 / \$0.80
Unlisted Options:	4,500,000
Total Shareholders (19/2/13)	2,268

Top 10 Shareholders (as at 19 February 2013)

1.	Rocket Science Pty Ltd	6.8%
2.	JH Nominees Australia Pty Ltd	4.4%
3.	Dreampoint Investments Pty Ltd	3.7%
4.	Jasper Hill Resources Pty Ltd	2.3%
5.	Kemast Investments Pty Ltd	2.2%
6.	Wulura Investments Pty Ltd	2.2%
7.	Michael Manford	2.2%
8.	Two Tops Pty Ltd	2.2%
9.	Aviemore Capital Pty Ltd	1.9%
10.	Kingslane Pty Ltd	1.6%

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 Joint Company Secretary
Farley Fewkes	General Manager and Joint Company Secretary



Security: GMY					
Period: This Year & Last					
Rank	Broker	Total Value	Buy Qty	Sell Qty	%
1	Patersons	\$5,523,420	2,433,892	2,930,742	76.15
2	Commonwealth	\$752,149	621,422	118,059	10.37
3	RBS Morgans	\$237,627	224,020	13,818	3.28
4	Foster Stockbro	\$201,050	0	200,000	2.77
5	AIEX	\$143,249	75,030	52,627	1.97
6	Deutsche	\$104,287	7,000	89,000	1.44
7	Euroz	\$88,738	51,212	40,000	1.22
8	E-Trade	\$61,126	37,663	24,465	0.84
9	Bell Potter	\$41,766	20,000	21,909	0.58
10	UBS	\$21,704	17,431	4,303	0.30

Source: IRESS

1H'2013 Financial Results Summary



- Net Interest Revenue up 9.5% to \$1,107,786.
- Statutory Net Profit after tax of \$103,511 down 63% on the prior period.
- Normalised Net Profit after tax of \$103,511 down 74% on the prior period reflective of incurring upfront costs associated with executing long term growth strategy.
- Average net interest margin of 2.62% compared to 3.68% for the prior corresponding period.
- Annualised lending portfolio growth of 45.7% for the six months ended 31 December 2012 compared to 4.5% national credit growth (housing)*.
- 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 0.1% of total loan portfolio.
- Capital adequacy of 30.8%; down from 42.9% as at 30 June 2012; largely due to lending portfolio growth and liquidity holdings.

	1H'2013	1H'2012	Change on 1H'2012
Net Interest Revenue	\$1,107,786	\$1,011,559	9.5% ↑
Other Revenue	\$262,478	\$253,278	3.6% ↑
Impairment (Losses) / gains	\$12,147	\$10,785	12.6% ↑
Employment Expenses	(\$532,271)	(\$249,168)	213.6% ↑
Other Expenses	(\$761,138)	(\$535,185)	42.2% ↑
Demutualisation Expenses	-	(\$112,814)	N/A
Statutory NPAT	\$103,511	\$279,728	63.0% ↓
Normalised NPAT	\$103,511	\$392,542	73.7% ↓
Net Interest Margin	2.62%	3.68%	1.06% ↓

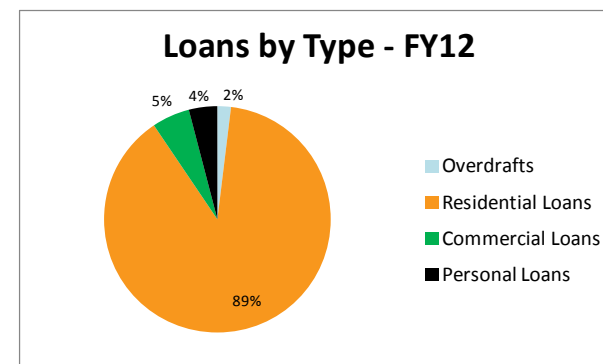
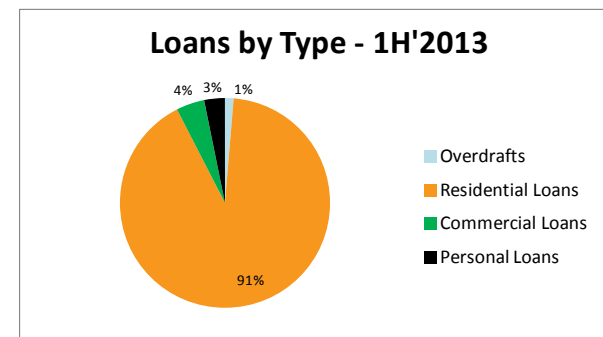
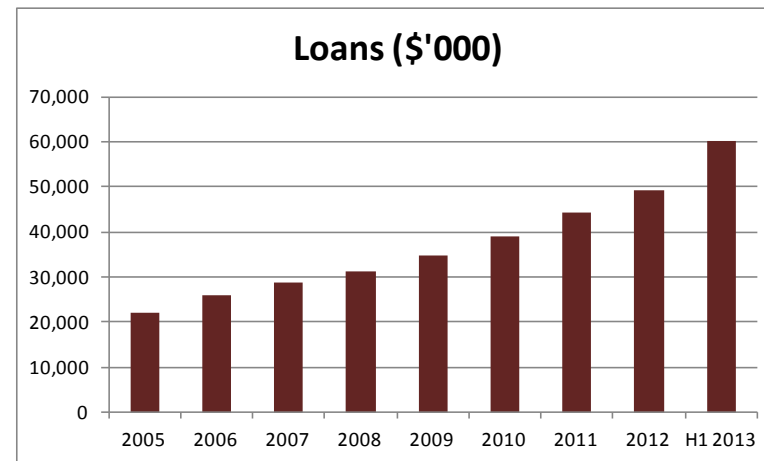
	31 Dec 2012	30 Jun 2012	Change on FY12
Assets	\$102,294,762	\$75,848,845	34.9% ↑
Loans	\$60,289,296	\$49,062,795	22.9% ↑
Deposits	\$86,603,962	\$60,315,619	43.6% ↑
Net Tangible Assets	\$14,471,757	\$14,407,495	0.5% ↑
Capital Adequacy ratio	30.8%	42.9%	12.1% ↓

*Source: www.rba.gov.au/statistics-Monetary and Credit Statistics: December 2012 Financial Aggregates

Growing The Loan Book

1H'2013

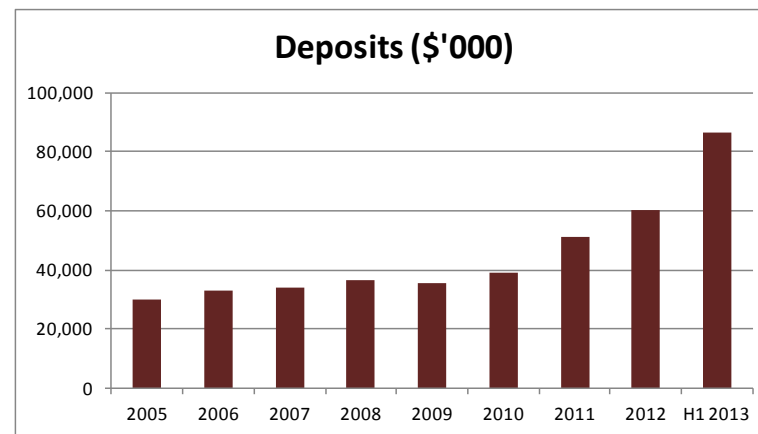
- Highest half year loan growth recorded in 30 year history of Goldfields Money (previously Goldfields Credit Union).
- Lending growth of \$11.2m or 23%.
- Compared to housing system growth of 4.5%.
- Annualised growth of 46%.
- Growth in environment of high levels of savings and repayment levels.
- Approvals during 1H'2013 of \$20m will flow on to 2H'2013.
- 42% (circa \$8.4m) of new approvals were from the Perth market.
- Selected use of mortgage brokers has assisted growth strategy.
- Risk appetite remains conservative and well secured.



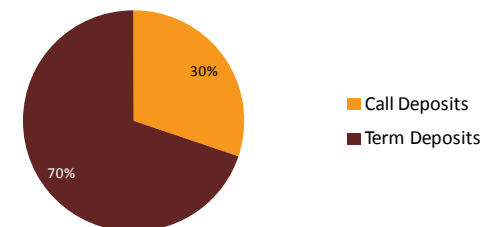
Sourcing Deposits

1H'2013

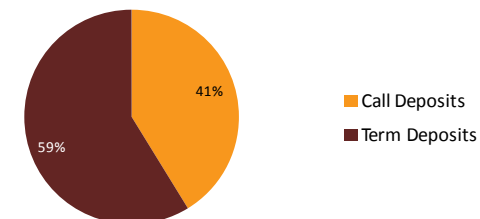
- Strategy is to ensure sufficient liquidity in place to meet funding growth targets.
- Strategy involves securing deposits first.
- Substantial deposit growth of \$26.3m or 43%.
- Annualised growth of 87%.
- Majority of growth from Term Deposits; expected to normalise towards a more historic ratio of at call deposits as other strategies take effect.
- Second half will see launch of:
 - Cash Management Account;
 - Online savings account;
 - Enhanced children's and teens account;
 - New distributor relationships;
 - Marketing to High Net Worth clients in target market.
- Depositors benefit from the \$250,000 Government Guarantee on deposits.



Deposits by Type - 1H'2013

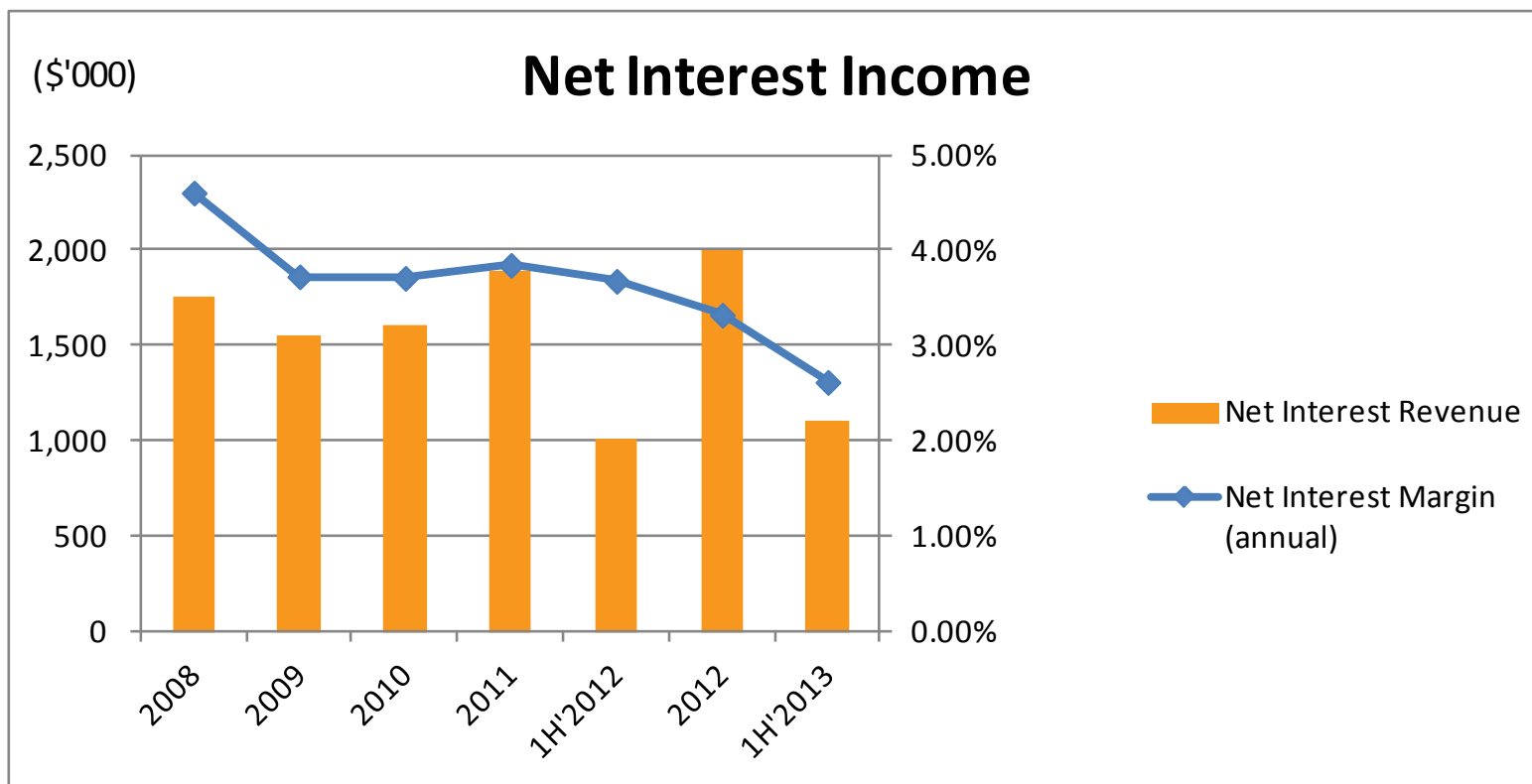


Deposits by Type - FY12



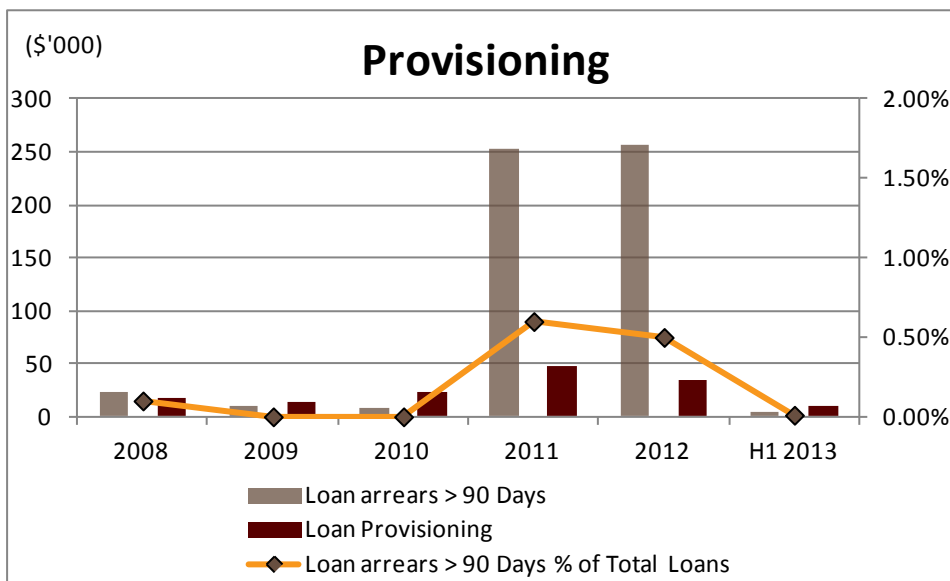
Net Interest Income and Margin

- The impact of six successive reductions in official interest rates from 4.75% to 3.00% 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 margin as anticipated by the Board.



Lending Quality – Ongoing Rigour

- Goldfields 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.



Year End 30 June (\$'000)	1H'2013	2012	Change	Change (%)
Provisioning	10	34	(24)	(70.6%)
Provisioning % of Total Loans	0.02%	0.07%	(0.05%)	(71.4%)
Loan arrears > 90 Days	5	253	(248)	1.2%
Loan arrears > 90 Days % of Total Loans	0.01%	0.51%	(0.5%)	(98.4%)

- **Provisioning**
 - Loan book is currently well secured and modest arrears are been managed effectively. There is no intention to materially increase the risk profile.
- **RBA Interest rate reductions**
 - Current structure of the loans and deposits portfolio reduces earnings when interest rates are reduced. Introduction of Fixed Rate Home Loans will manage some of the interest rate risk in the short term.
- **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.
- **Regulation**
 - Increasing compliance burden from Australian regulators in response to global factors.

- Goldfields has established an excellent commencing platform. It has been a safe and sound regional institution and in Western Australia, is exposed to one of the more robust state economies in the world.
- Goldfields has made a solid start in the execution of its growth strategy in terms of loan and deposit growth.
- 1H'2013 profitability was an expected reality as capacity and capability was put in place to execute a growth strategy.
- Current share price of 82¢ represents a discount of circa 11% to NTA per share of 92.4¢.
- Clients deposits benefit from the \$250,000 Government Guarantee.
- As Goldfields' profit profile emerges it is the intention to pay fully franked dividends.
- From a well regulated, low cost platform with an excellent team Goldfields has set itself the task of growing a Western Australian financial institution so as to benefit all shareholders.

- Goldfields Money Overview
- Goldfields Money Advantage / Positioning
- Goldfields Money People and Experience

- Up until May 2012, Goldfields Money Limited (“**Goldfields**”) was known as Goldfields Credit Union.
- Established in Kalgoorlie in 1982, Goldfields has 2 branches, a head office in Kalgoorlie and a branch presence in Esperance. There are 8 staff in these two locations. An office was established in the Perth suburb of Claremont in January 2013.
- Goldfields recognised a need to grow and resolved to do so where the first key steps were:
 1. To demutualise; and
 2. To raise additional equity capital.
- Goldfields took these steps in FY’12, raising \$9m of new equity capital and in May 2012 listed on the ASX (Code: GMY) with market capitalisation of \$15.7m.
- A differentiated strategy of:
 - WA headquartered and focussed – only WA based listed ADI;
 - Develop key partnerships and distribution arrangements to achieve upscale;
 - Service: continue with service ethic and relationship banking.

The Goldfields Money Advantage / Positioning



- Leverage from being the only WA based ASX listed Authorised Deposit-taking Institution (Western Australian's have historically been quite parochial subject to service and price).
- Nimble in making credit and pricing decisions.
- Established brand in the Goldfields – ambition is to “Own our Town”; leverage existing infrastructure
- ASX Profile – ability to raise additional capital (advantage over Credit Union model).
- Relationships with key stakeholders – eg Patersons Securities; source of deposits and loans.
- Looking to build channels through strategic-style relationships.
- Service will be our cornerstone; we will make it as easy as possible to do business with Goldfields Money.
- Pricing will be competitive although not necessarily market leading; will discount to secure quality relationships.
- Current products are basic in offering and features – investment will be made to enhance where required. The majority of customers seek a Home Loan; Transaction Account or Term Deposit.
- Online Strategy will be supplemented by Mobile Lenders / Business Development Managers; limited physical presence in early stages in Perth.
- People – experienced and motivated.

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; 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; Chartered Accountant with over 8 years experience 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; Will continue to be based in Kalgoorlie

