

20 August 2012

ASX MEDIA RELEASE

Goldfields Money Limited reports full year profit of \$468,451

HIGHLIGHTS FOR THE FULL YEAR ENDED 30 JUNE 2012

- **Statutory Net Profit after tax of \$468,451 up 35% on the prior year**
- **Net Profit exceeds Prospectus forecast**
- **Normalised Net Profit after tax excluding the impact of the demutualisation expenses of \$518,259, down 9.1% on the prior year.**
- **Lending portfolio growth of 10.6% on the prior year compared to 4.4% national credit growth***
- **Deposit portfolio growth of 17.5%**
- **Continuing strong credit quality – loans greater than 90 days due of 0.52% of total loan portfolio**
- **Capital adequacy of 42.9% up from 21.1% in the prior period primarily due to the \$9 million capital raising**
- **Normalised cost to income ratio up by 2.8% on the prior year to 68.4%**
- **Average net interest margin of 3.33% compared to 3.85% for the prior year.**

Goldfields Money Limited (“Goldfields Money”) (ASX: GMY), the only Western Australian headquartered & ASX listed Authorised Deposit-taking Institution, today released its audited financial results for the period ended 30 June 2012. Net Profit after Tax (NPAT) for the period was \$468,451 which is a 35% increase on the prior period. This result is ahead of the NPAT forecast for the year disclosed in the Demutualisation and Prospectus Booklet of \$409,947.

Excluding the impact of the demutualisation expenses, the net profit after tax was \$518,259 compared to \$570,136 in the prior year. The reduction in profit reflected the investment phase of implementing the growth strategy.

The key milestone event for the Company during the year was the demutualisation, equity raising and listing on the ASX. Equity raised of \$9 million (before costs) significantly enhances Goldfields Money’s capital adequacy position and ability to fund loan book growth.

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

Banking on Better Service
Goldfields Money Limited

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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 demutualisation, as a result of strong cost control, credit risk management and growth of the lending portfolio”. The impact of four successive cuts in official cash rates as well as increased competition, particularly for term deposits, resulted in a reduction in net interest margin of 52 basis points during the year which impacted net interest income.

“The volatility of markets and the economy continued in 2012 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 proceed through the demutualisation and ASX listing process to grow its lending portfolio 2.4 times system growth” Mr Holden said.

	FY12	FY11	Change on FY11
Statutory NPAT	\$468,451	\$348,167	35% ↑
Normalised NPAT	\$518,259	\$570,136	9.1% ↓
Assets	\$75,848,845	\$58,171,214	30.4% ↑
Loans	\$49,062,795	\$44,372,923	10.6% ↑
Deposits	\$60,315,619	\$51,322,147	17.5% ↑
Net Tangible Assets	\$14,407,495	\$5,558,313	159.2% ↑
Net Interest Margin	3.33%	3.85%	0.52% ↓
Capital Adequacy ratio	42.9%	21.1%	21.8% ↑
Cost to Income Ratio (normalised)	68.4%	65.7%	2.8% ↑

Normalised amounts have been derived from the amounts presented in the 30 June 2012 financial report and adjusted for demutualisation costs in both the current and prior period.

Dividend

No dividend has been declared or paid for the year. As communicated to investors in the Demutualisation Booklet and Prospectus, 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

Notwithstanding all of the current challenges of operating in the banking industry, the Directors consider that the 2013 financial year will see benefits from the implementation of the strategic plan start to emerge. Goldfields Money will continue to benefit from the Australian Government's \$250,000 deposit guarantee as well as other measures in the Government's banking reform package.

On the outlook for the 2013 financial year, Mr Holden said: "Goldfields Money will continue to implement its strategic plan for the next 24 months as recently communicated to investors. The objective is to limit erosion of profitability whilst implementing a growth strategy, which introduces new costs ahead of revenues. Goldfields Money plans to continue to provide low cost financial services, apply prudent and profitable risk management, expand its distribution network in Perth and the Goldfields and significantly grow the lending book thereby generating 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.

Media Enquires

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