



goldfields
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Banking on Better Service

Goldfields Money Limited (GMV)

ABN 63 087 651 849

Annual General Meeting

15 November 2013

www.goldfieldsmoney.com.au

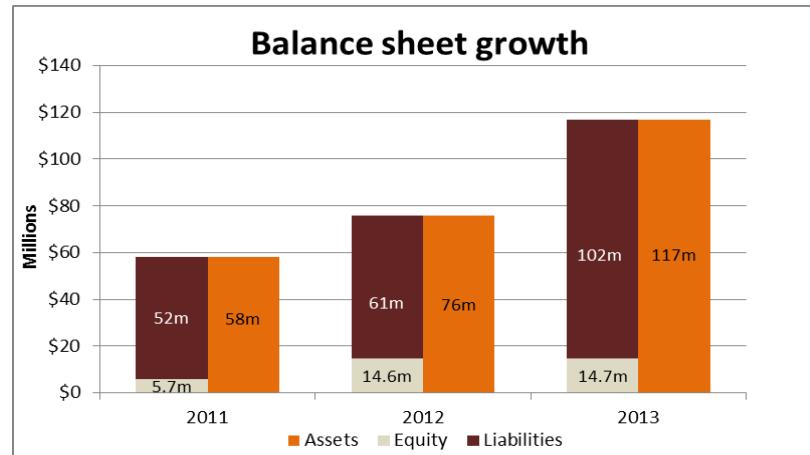
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Year End Results FY2013: Growth Trajectory

- Goldfields Money entered FY'2013 with a growth strategy which is tracking to anticipated trajectory, achieving significant loan and deposit growth.



- The balance sheet growth achieved in FY'2013 provides a sound financial base to continue 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 of \$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 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.

FY13 Financial Results Summary



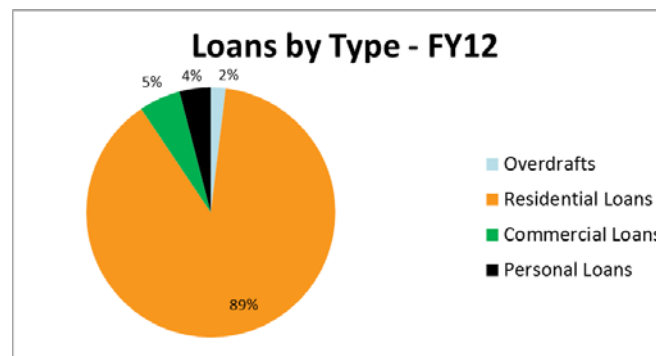
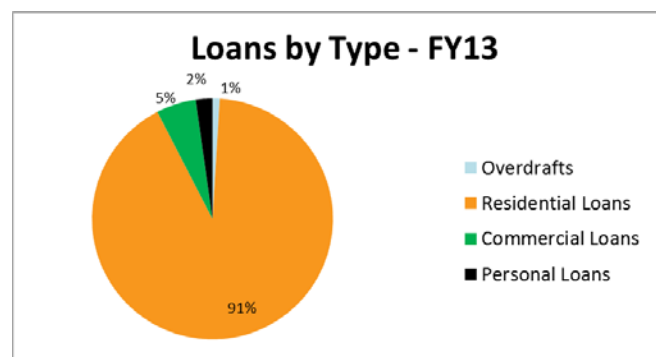
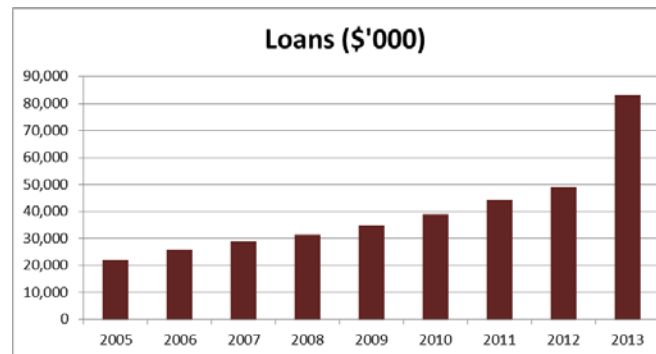
	2011	2012	2013	Change on FY12/FY13
Net Interest Revenue	\$1,889,025	\$2,000,336	\$2,240,197	12% ↑
Other Revenue	\$547,435	\$463,378	\$446,567	4% ↓
Impairment (Losses) / gains	(\$25,259)	\$14,114	\$17,278	22% ↑
Employment Expenses	(\$568,670)	(\$560,522)	(\$1,090,017)	94% ↑
Other Expenses	(\$1,410,966)	(\$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

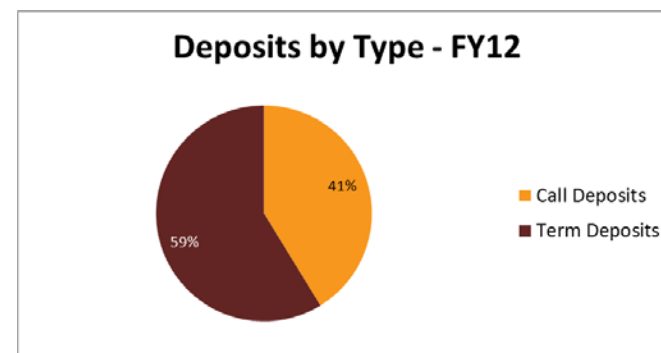
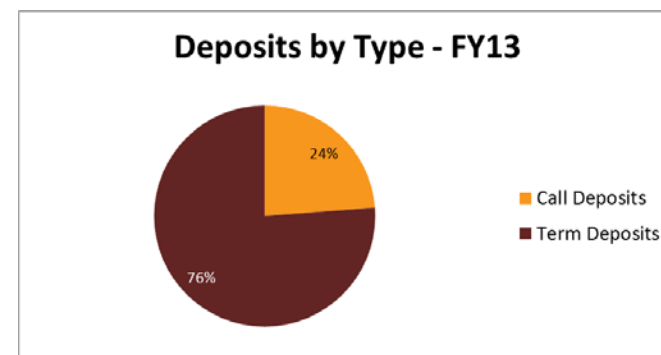
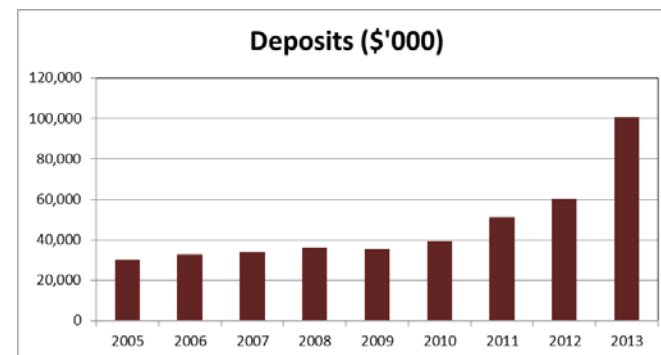
Growing The Loan Book

- Accomplished in highly competitive market and higher than historical repayment levels.
- \$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.



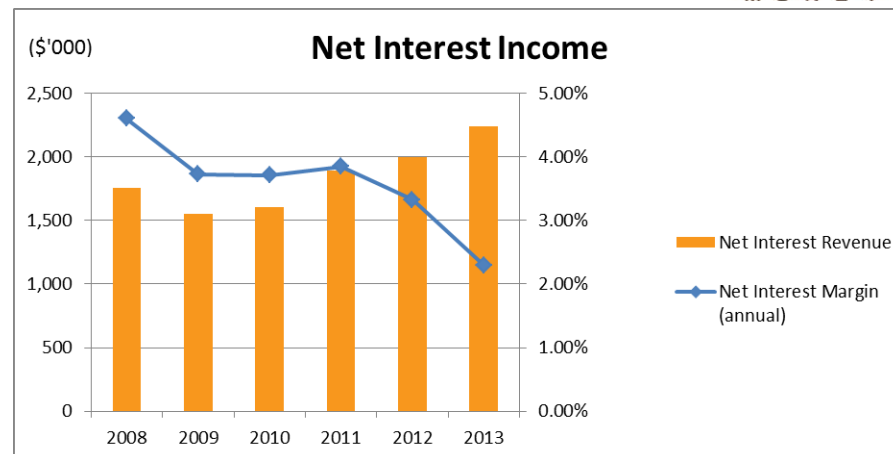
*Source: www.rba.gov.au/statistics-Monetary and Credit Statistics: June 2013 Financial Aggregates

- Creating loan growth momentum requires accelerating funding ahead of lending targets, resulting in trading some margin to achieve volumes.
- Majority of growth has been from Term Deposits which is anticipated to normalise towards a more historic ratio of at call deposits as business strategies take effect. This will also manage some of the risk of downward interest rates.
- FY'2014 will see launch of:
 - Cash Management Account;
 - Online savings account;
 - Visa Debit product.



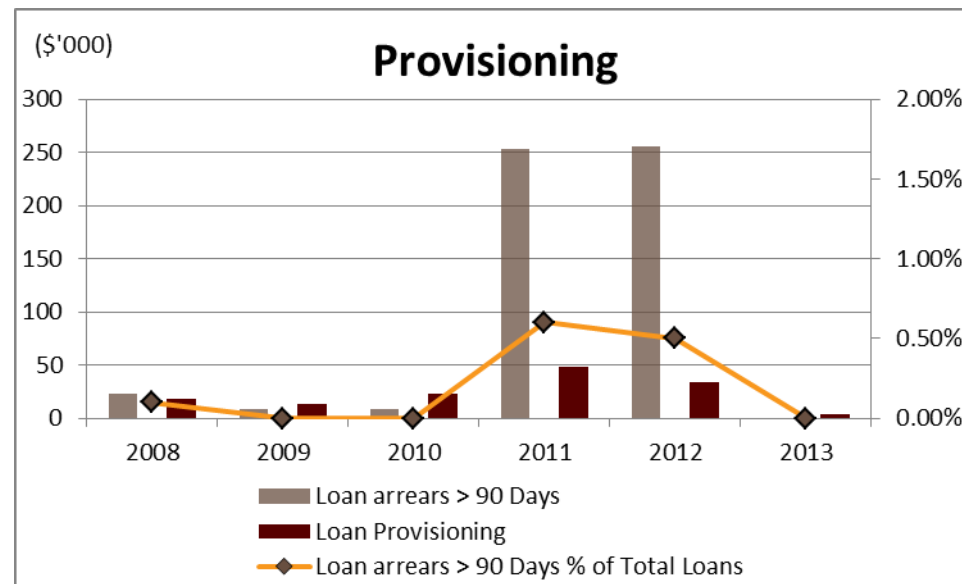
Net Interest Income and Margin

- 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.
- 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 will assist in stabilising net interest margins as will additional higher margin lending.



Lending Quality – Ongoing Rigour

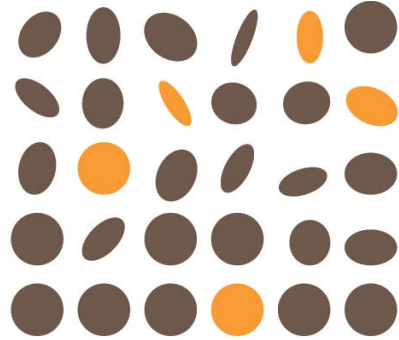
- Provisioning and arrears levels as a percentage of total loans remain low and there is no evidence of increasing levels of arrears.
- Average portfolio Loan-to-Value Ratio is 64%.



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%)

- Goldfields Money is focused on growth and improving long term profitability – earnings however have been impacted by the recent reductions to the RBA Cash Rate in May and August this year and ongoing investments in systems and compliance.
- Whilst profitability for the first half of FY2014 is expected to be lower than the first half of FY2013, the outlook for the second half is forecast to be much improved as the balance sheet growth brings strengthening revenues flows.
- Loan growth will continue to be significantly above system growth. Whilst lending volumes have been lower than expected in the first quarter of FY2014, this has improved in the second quarter and with this improved trend expected in the second half.
- Considering the low interest rate environment, access to deposit funds remains strong; assisted by the government guarantee on deposits.
- Outlook for Western Australian economy remains strong and robust.

- 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 lower cost deposit products and diversification of lending products.



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