



Banking on Better Service

Goldfields Money Limited (GMV)

ABN 63 087 651 849

Half Year Results – 31 December 2013

21 February 2014

www.goldfieldsmoney.com.au

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Company Snapshot

- Capital Structure**

Shares	15,666,829
Last Share Price (17/02/14)	\$1.01
Market Capitalisation	\$15.823m
52 week High / Low	\$1.15 / \$0.765
Unlisted Options:	4,500,000
Total Shareholders (17/02/14)	2,071

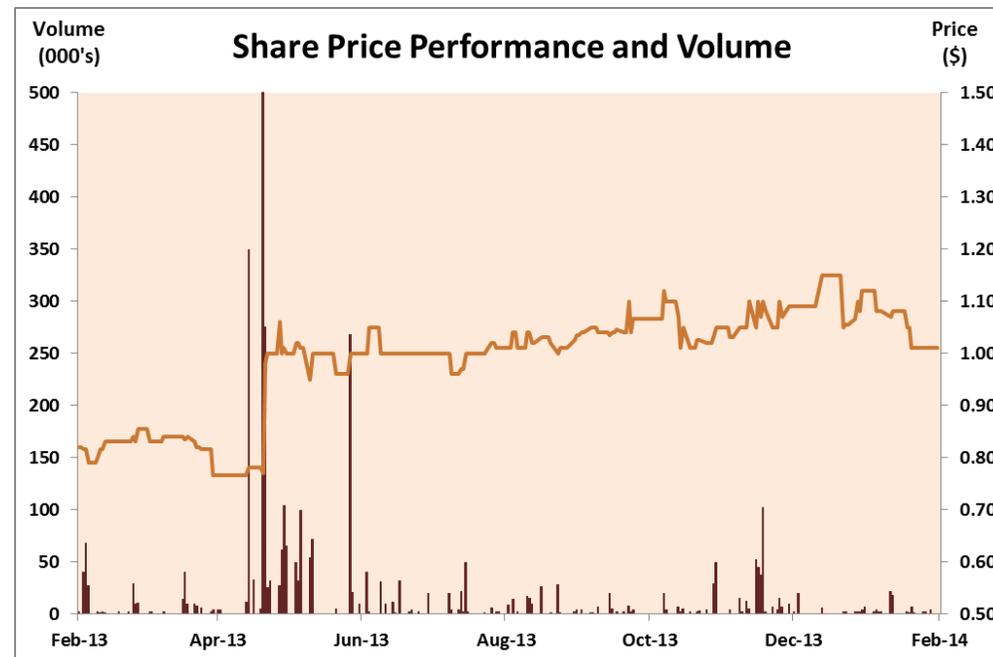
- Top 10 Shareholders (as at 17 February 2014)**

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. The Goldfields Hotels Pty Ltd	2.6%
6. B F A Pty Ltd	2.5%
7. Jasper Hill Resources Pty Ltd	2.4%
8. Write Family Investments Pty Ltd	2.3%
9. Kemast Investments Pty Ltd	2.2%
10. Wulura Investments Pty Ltd	2.2%

*Associated entities

- Directors / Senior Management**

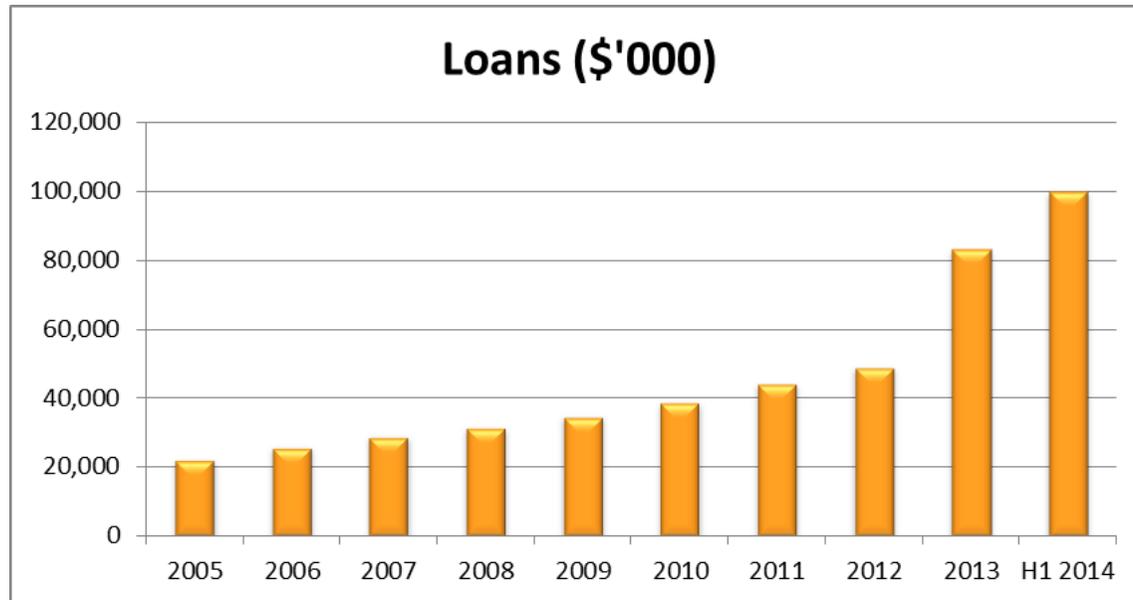
Allan Pandal	Non Executive Chairman
Bill McKenzie	Non Executive Director
James Austin	Non Executive Director
Robert Bransby	Non Executive Director
David Holden	Managing Director
Michael Verkuylen	CFO and Company Secretary
Farley Fewkes	General Manager



Half Year Results 1H'2014: Growth Momentum Continues



- Goldfields Money continued its growth strategy recording net lending growth of \$16.7m in the six months ended 31 December 2013
- Lending portfolio has doubled from \$50m to \$100m since demutualising in May 2012



- Continuing to build scale is critical to achieving long term returns and profitability

Half Year Results 1H'2014: Growth Momentum Continues



- Net Profit After Tax of \$69,402 - lower than prior corresponding period and reflective of impacts from recent interest rate reductions and investment in distribution, resourcing and risk management
- Strong lending portfolio quality with no significant impaired loans or >90days in arrears
- Net interest revenue up 11% to \$1.22m - benefit from lending portfolio growth outweighing impact from recent interest rate reductions

- Expansion into Perth metropolitan market has continued since Claremont office opened in early 2013
- Capital and liquidity positions remain strong and well within internal and regulatory limits
- Commenced deposit distribution arrangement with large non-bank lender Firstmac Limited
- Implemented product referral programs with GMF Health
- Enhancements made to lending products to meet customer needs

1H'2013 Financial Results Summary



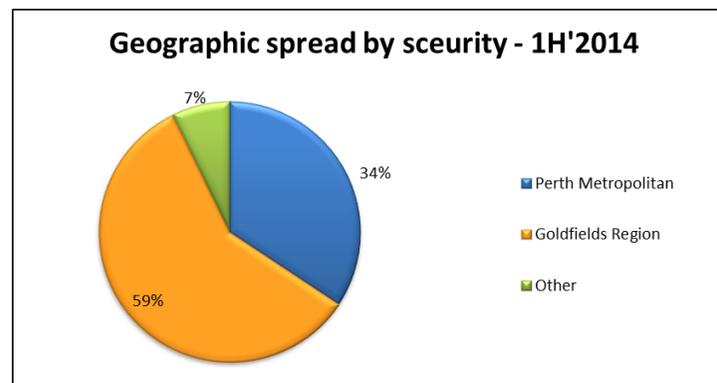
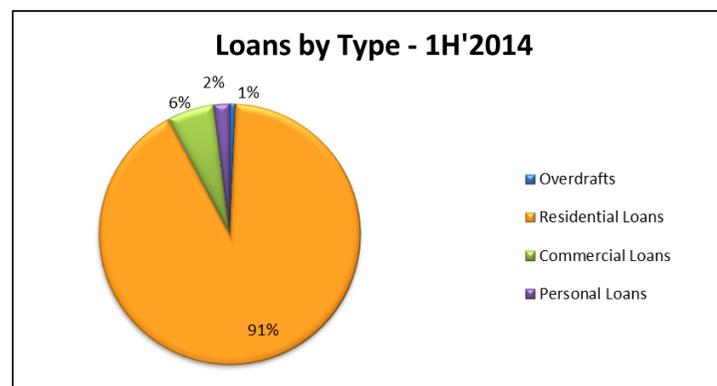
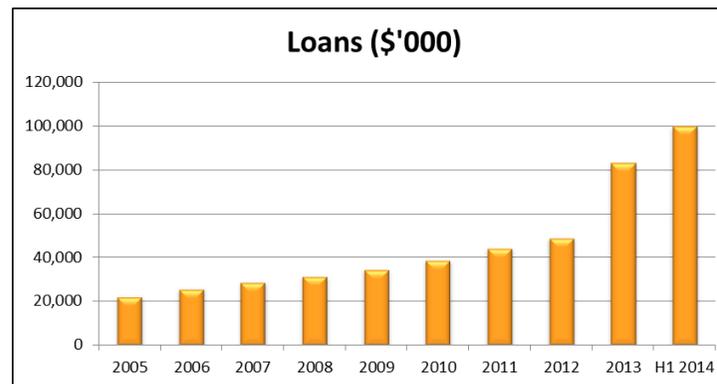
	1H'2014	1H'2013	Change on 1H'2013
Net Interest Revenue	\$1,224,887	\$1,107,786	10.6% ↑
Other Revenue	\$206,840	\$235,023	12.0% ↓
Impairment (Losses) / gains	\$370	\$12,147	-
Employment Expenses	(\$609,443)	(\$532,271)	14.5% ↑
Other Expenses	(\$781,996)	(\$733,683)	6.5% ↑
Statutory NPAT	\$69,402	\$103,511	33.0% ↓

	31 Dec 2013	30 Jun 2013	Change on FY13
Loans	\$100,014,903	\$83,281,109	20.0% ↑
Deposits	\$107,638,257	\$100,682,597	6.9% ↑
Assets	\$123,574,550	\$116,764,441	5.8% ↑
Net Tangible Assets	\$14,439,499	\$14,405,446	0.2% ↑
Capital Adequacy ratio*	23.0%	28.1%	5.1% ↓

*Measured in absolute terms

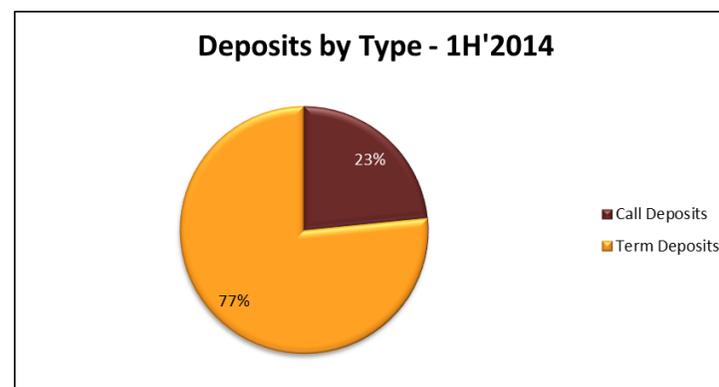
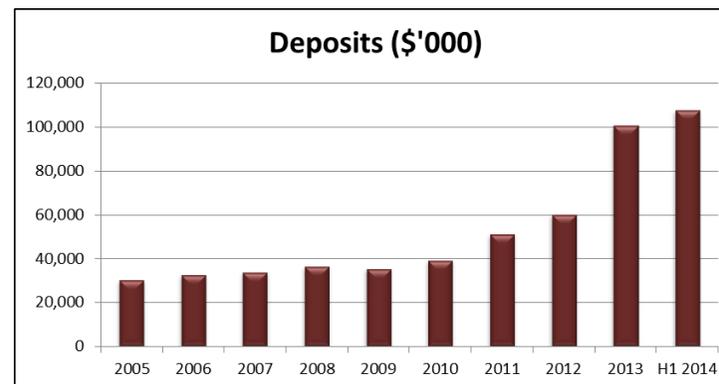
Growing The Lending Portfolio

- Growth trajectory in 1H'2014 continues with an average of \$4.1m in new loans funded per month.
- Net loan growth of \$16.7m during period.
- Lending portfolio growth of 20% over six months ended 31 December 2013.
- Portfolio composition remains relatively consistent and well secured.
- Expansion into Perth continues to diversify concentration risk to Goldfields with other regions, including Perth representing 41% (FY2013: 31%).



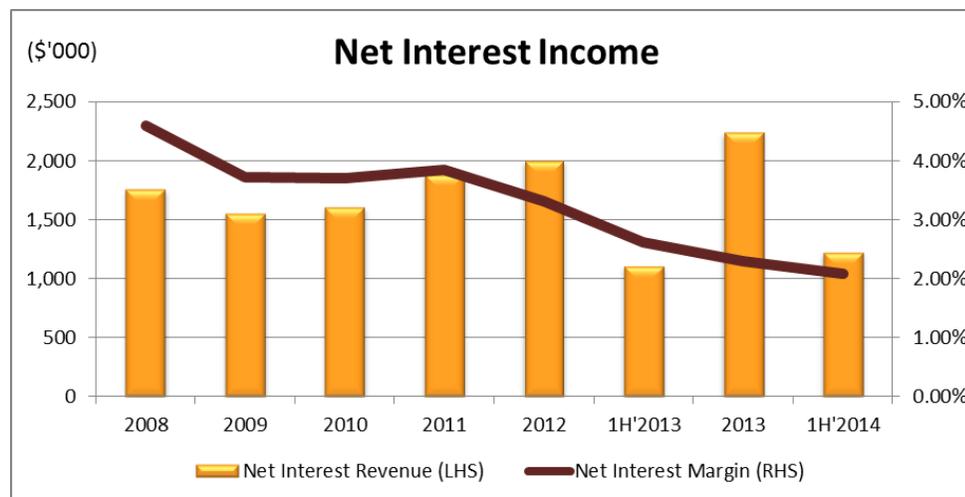
Continuing to fund our growth

- Excess liquidity has been partially utilised to meet lending growth.
- Ability to raise term deposits remains strong with multiple distribution arrangements in place with national networks to complement direct channels.
- Entered into commercial arrangements with Firstmac Limited to distribute various deposit products to be implemented over time.
- Focus on next 12 months is on introducing deposit products that provide lower cost of funding than term deposits – increase net interest margin.



Net Interest Income and Margin

- Net Interest margin for the period was 2.1% compared to 2.3% for FY2013
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- The reductions in official interest rates continues to impact net interest income due to 'stickiness' of term deposit rates and 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.
- Focus on next 12 months is on introduction of lower cost funding to improve returns on overall portfolio.



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%.
- There is no evidence currently that the impact of higher unemployment rates is leading to higher levels of mortgage stress in loan book.

	31 Dec 2013	30 Jun 2013	Change	Change (%)
Provisioning	4	4	(0)	(0%)
Provisioning % of Total Loans	<0.01%	<0.01%	(0%)	(0%)
Loan arrears > 90 Days*	0	0	(0)	0%
Loan arrears > 90 Days % of Total Loans*	0%	0%	(0%)	(0%)

*Excludes overdrawn savings accounts

- **Provisioning**
 - Loan book is currently well secured and modest arrears are 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. Ongoing resource production contracts and ongoing construction pipeline in Western Australia continues to have a positive outlook relative to other locations.
- **Regulation**
 - Increasing compliance burden from Australian regulators in response to global factors which has a disproportionate impact on smaller ADIs.

- WA's economy remains stable and robust, although perhaps not as strong as recent years.
- Continuing to grow the lending portfolio remains a core objective.
- Reliable predictions of the next official interest rate move remains challenging and a further interest rate reduction in the second half of FY2014 would adversely impact profitability.
- Continuing investment in distribution, compliance and risk management required to match scale.
- Introduction of new products and distribution arrangements in second half of FY2014 will start to improve profitability, however full impact is unlikely to be realised until FY2015.
- It is hoped that the outcome of the forthcoming Financial Services enquiry will address some of the inequities in the Financial Services sector in terms of competitiveness and regulation.

Strategic Priorities for next 12 months



- Continue lending growth to achieve critical scale – including use of mortgage brokers and establishment of new partnerships.
- Focus on reviewing deposit products, to lower overall cost of funding and in turn improve profitability as well as diversify sources.
- Implement alternative lending arrangements – this includes alternatives for portfolio funding and mortgage management with aim to increasing return on equity with existing capital base.
- Continue to build capability ahead of growth profile to ensure adequate systems, infrastructure and risk management.
- Continue to seek out strategic opportunities to enhance earnings momentum.

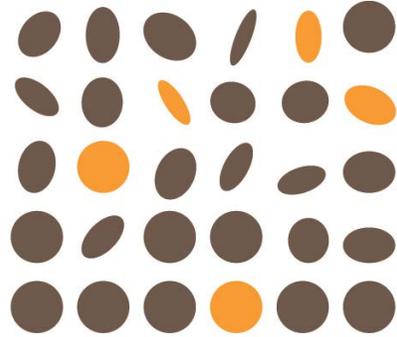
- About us
- Goldfields Money: People and Experience

- 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
James Austin <i>Non Executive Director</i>	Appointed November 2013; Extensive corporate experience in financial services and the retail banking sector; Non-executive Director and CFO of Firstmac
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



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