



21 February 2014

## **ASX MEDIA RELEASE**

# **Goldfields Money Limited (ASX: GMY) reaches \$100m in lending and reports half-year profit of \$69,402**

### **HIGHLIGHTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

- **Continued momentum for growth trajectory**
- **Doubled lending portfolio in 18 months since demutualisation**
- **Revenue growth of 15% on the prior year, despite falling interest rate environment**
- **\$25m in new loans funded during the six months**
- **Lending portfolio growth of \$16.7m for the period or 40% annualised**
- **Statutory Net Profit after tax of \$69,402**

**Goldfields Money Limited** (“Goldfields Money”) is pleased to release the financial results for the period ended 31 December 2013. Momentum from the Company’s growth strategy has continued into the first half of FY’14. Goldfields Money demutualised and listed in May 2012 and since that time, the Company has doubled its lending portfolio to over \$100m. This has been achieved over a period characterised by record low national credit growth.

Net Profit After Tax (NPAT) for the period was lower than the corresponding period primarily due to the impact of the May and August 2013 reductions to the Cash Rate. These reductions impact the Company’s net interest income through the repricing lag of term deposit funding.

Commenting on the performance to date and the continuing outlook, Mr David Holden, Managing Director said “whilst profitability is down on the corresponding period, Goldfields Money has continued to significantly grow its lending and deposit portfolios. This is a critical factor in achieving long term profitability and returns for our shareholders. The recent interest rate reductions by the RBA have resulted in some lost profitability for the period.”

“Whilst momentum in growing the lending portfolio has continued into the first half of FY’14, the market remains intensely competitive, particularly with the dominance of the Australian big banks. Goldfields Money is focussing on mechanisms to capitalise on its growth to provide improved profitability. This includes implementing new and reviewing existing products aimed at lowering and diversifying the Company’s cost of funding ” said Mr Holden.



At the Company's 2013 Annual General Meeting, Mr James Austin who is the Chief Financial Officer of Firstmac Limited was elected to the Board of Directors. The Company has entered into commercial arrangements with Firstmac Limited aimed to deliver mutually beneficial outcomes for both Companies. This includes distributing new products and services. Goldfields Money will continue to look at other strategic opportunities to drive earnings growth.

The weighted average Loan to Valuation Ratio (LVR) in the lending portfolio is approximately 65%. Consistent with our aims to diversify concentration risk, some 41% of the total loan portfolio has been sourced outside of the Goldfields regions, including Perth.

Goldfields Money continues to utilise the surplus capital in its balance sheet to grow the lending portfolio. Growth is expected to continue into the second half of FY'14 and provided there are no further reductions to the Cash Rate for the remainder of FY'14, second half profitability is also expected to improve.

We remain optimistic for the outlook of the Australian Economy in both Western Australia and the wider Australian context, and in particular the outlook for demand in housing and business finance.

Goldfields Money welcomes the upcoming inquiry into Australia's Financial System and hopes that it will address some of the inequities in the current banking system which favours larger financial institutions and has the impact of limiting competition in the sector.

#### **About Goldfields Money Limited**

Goldfields Money Limited is the only Western Australian headquartered & ASX listed Authorised Deposit-taking Institution and is 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 on the Australian Securities Exchange in May 2012. In January 2013 as part of its growth and diversification strategy, Goldfields Money opened its Perth office in the suburb of Claremont. Goldfields Money Customers are eligible to benefit from the Australian Government \$250,000 Guarantee on Deposits which is applicable to particular deposit products. Please refer to our website [www.goldfieldsmoney.com.au](http://www.goldfieldsmoney.com.au) for further information.

#### **Media Enquires**

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