

goldfields

M O N E Y

Banking on Better Service

**Goldfields Money Limited
(ASX Code: GMY)**

Full Year Results – 30 June 2012

20 August 2012

www.goldfieldsmoney.com.au

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- 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.
- 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.
- Currently establishing presence in the Perth market with appointment of Chief Financial Officer and Business Development Manager
- 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
 - A preparedness to explore roll up opportunities

Company Snapshot



- Capital Structure**

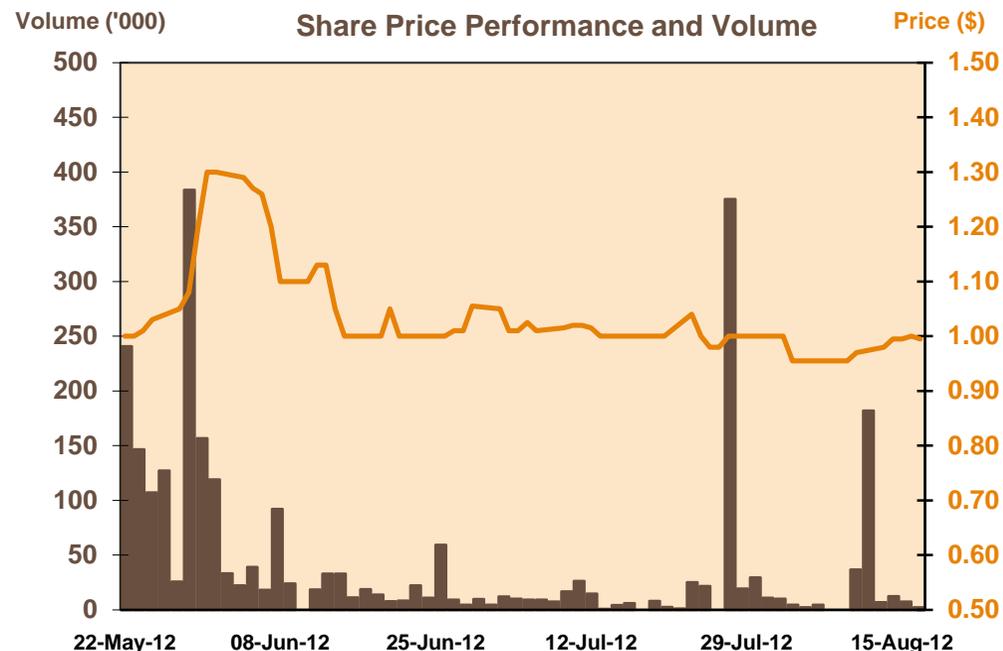
Shares	15,666,829
Last Share Price	\$1.00
Market Capitalisation	\$15,666,829
High / Low	\$1.30 / \$0.95
Unlisted Options	4,500,000
Total Shareholders	2,424

- Top 10 Shareholders (as at 16 August 2012)**

1.	Rocket Science Pty Ltd	6.8%
2.	Dreampoint Investments Pty Ltd	3.7%
3.	JH Nominees Australia Pty Ltd	3.3%
4.	Kemast Investments Pty Ltd	2.2%
5.	Wulura Investments Pty Ltd	2.2%
6.	Jasper Hill Resources Pty Ltd	2.2%
7.	Michael Manford	2.2%
8.	Two Tops Pty Ltd	2.2%
9.	Kingslane Pty Ltd	2.2%
10.	Aviemore Capital Pty Ltd	1.9%

- Directors / Senior Management**

Allan Pandal	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					
Rank	Broker	Total Value	Buy Qty	Sell Qty	%
1	Patersons	\$4,461,749	1,962,959	2,244,808	78.58
2	Commonwealth	\$551,038	474,485	46,694	9.71
3	Foster Stockbro	\$201,050	0	200,000	3.54
4	ALEX	\$136,783	73,400	47,521	2.41
5	Deutsche	\$104,287	7,000	89,000	1.84
6	RBS Morgans	\$58,217	50,909	6,909	1.03
7	Euroz	\$43,811	40,106	0	0.77
8	E-Trade	\$40,770	18,413	18,708	0.72
9	Bell Potter	\$33,938	20,000	12,303	0.60
10	UBS	\$14,959	12,000	2,303	0.26

Source: IRESS

Financial Results Summary



- Statutory Net Profit after tax of \$468,451 up 35% on the prior year
- Statutory Net Profit exceeds Prospectus forecast of \$409,947
- 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 largely 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.

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

Key Results Analysis

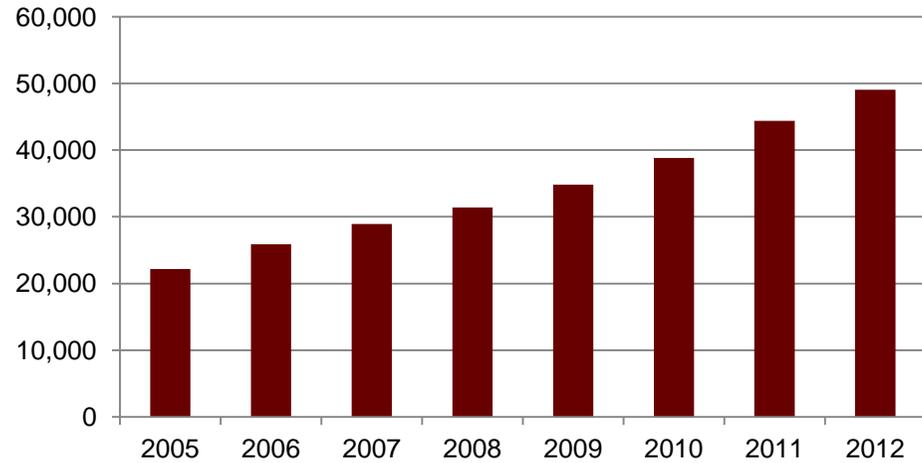
	FY12	FY11	Change on FY11
Statutory NPAT	\$468,451	\$348,167	35% ↑
Normalised NPAT	\$518,259	\$570,136	9.1% ↓
Assets	\$75,848,845	\$58,171,214	30.4% ↑
Loans	\$49,062,795	\$44,372,923	10.6% ↑
Deposits	\$60,315,619	\$51,322,147	17.5% ↑
Net Tangible Assets	\$14,407,495	\$5,558,313	159.2% ↑
Net Interest Margin	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 NPAT excludes the after tax impact of demutualisation expenses in FY11 and FY12

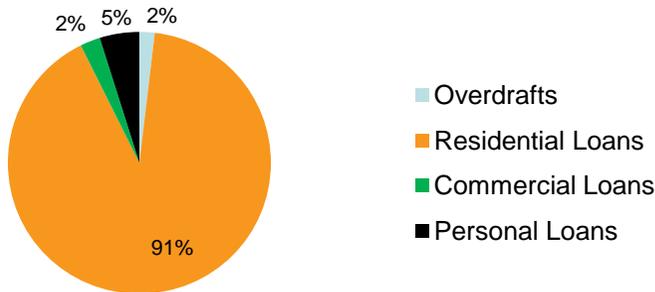
Above System Loan Growth

- Lending growth of \$4.7million or 10.6%
- Compared to system growth of 4.4%
- Growth strategy will significantly increase loan portfolio

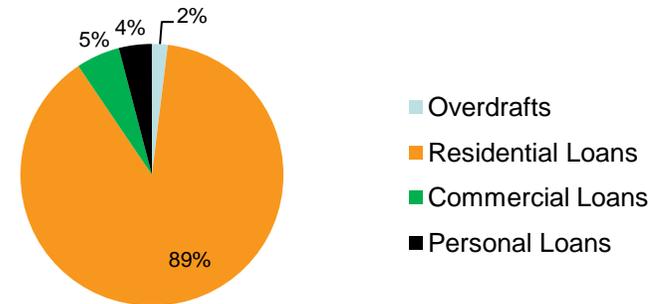
Loans (\$'000)



Loans by Type - FY11



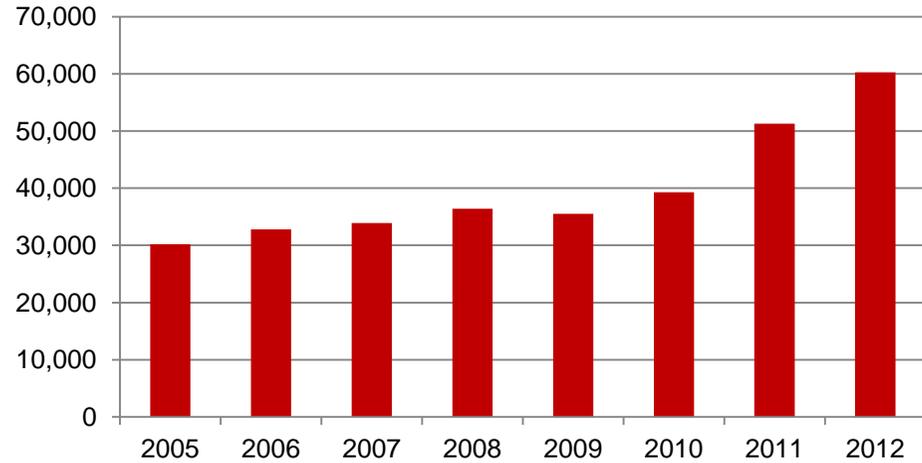
Loans by Type - FY12



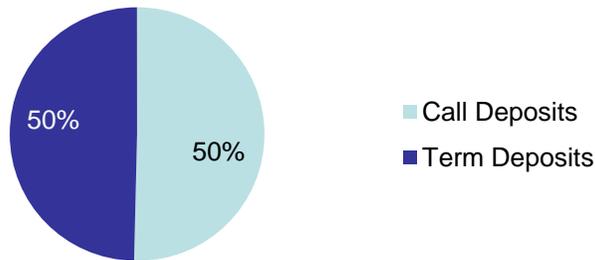
Strong Deposit Growth

- Strong deposit growth of \$9.0million or 17.5%
- A solid base to commence funding the growth strategy

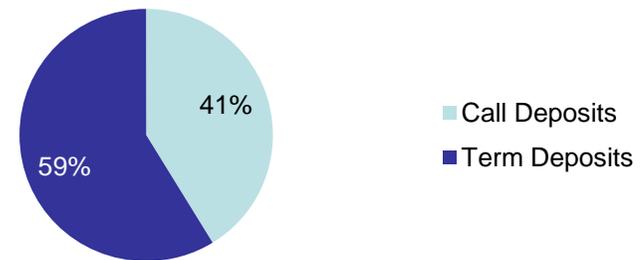
Deposits (\$'000)



Deposits by Type - FY11



Deposits by Type - FY12



Financial Performance

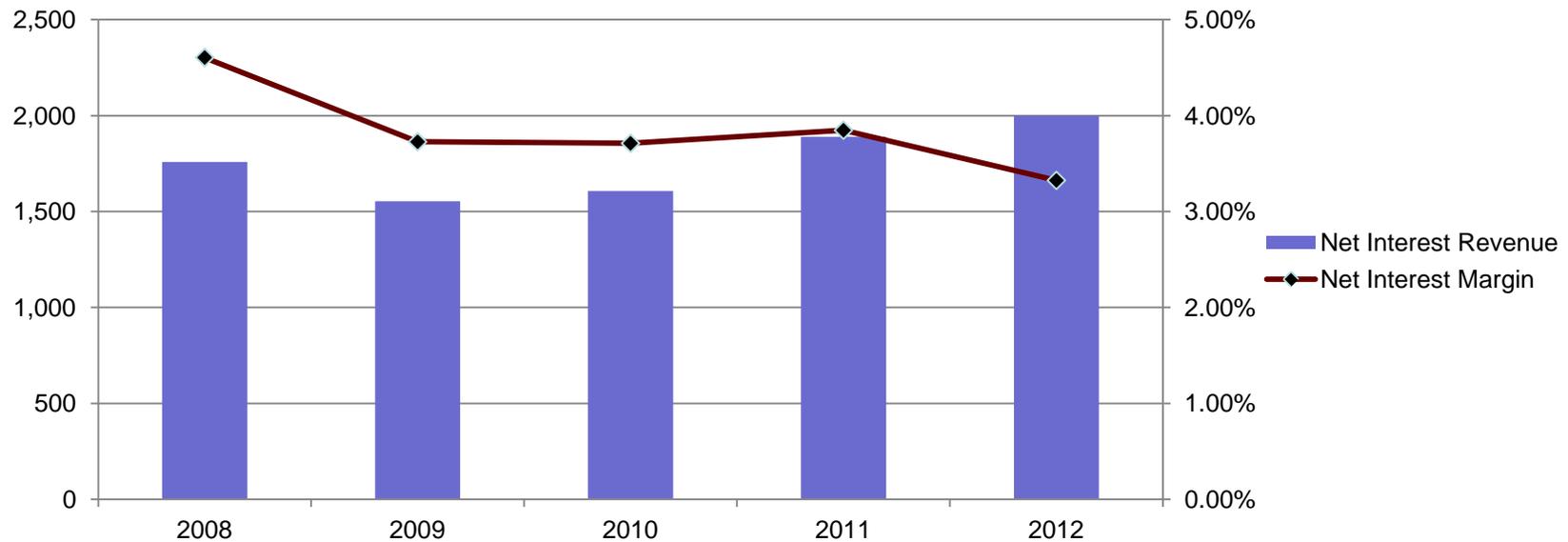


Year End 30 June (\$'000)	2011	2012	Change	Change (%)
Net Interest Revenue	1,889	2,000	111	5.9
Other Revenue	547	514	(33)	(6.0)
Impairment Losses / (gains)	25	(14)	(39)	(156.0)
Other Expenses	1,600	1,720	120	7.5
Demutualisation Expenses	380	235	(145)	(38.2)
NPAT	348	468	120	34.5
NPAT Normalised	570	518	(52)	(9.1)

Net Interest Income & Margin

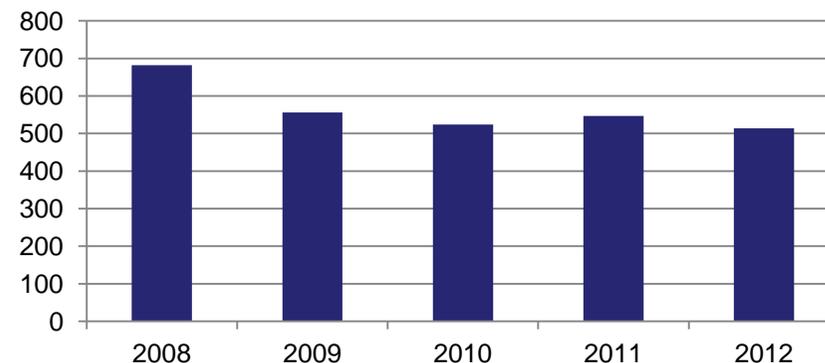
- The impact of four successive reductions in official interest rates has impacted net interest income as the benefit of low rate deposits diminishes.
- Competitive discounting on loan interest rates and 'stickiness' in Term Deposit rates will continue to put pressure on the net interest margin.

Net Interest Income and Margin Trend



- Fee discounting and changes to fee structures to meet competitive offerings have reduced non interest income in recent years.
- Opportunities to develop new sources of non-interest income in ancillary services e.g. financial planning, insurance.

Non Interest Income *

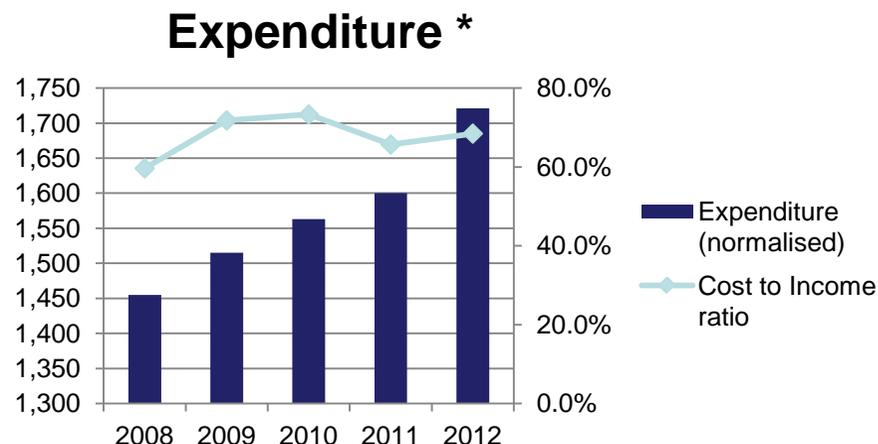


Year End 30 June (\$'000)	2011	2012	Change	Change (%)
Lending Fees	142	119	(23)	(16.2)
Commissions & Other Fees	351	333	(18)	(5.1)
Dividends Received	24	31	7	29.2
Bad Debts Recovered	21	2	(19)	(90.5)
Other	9	29	20	222.2
TOTAL	547	514	(33)	(6.0)

* Adjusted for removal of ATM income in FY08 to FY10; no impact in subsequent years

Expenditure

- Investment in marketing and online strategy as part of the growth strategy resulted in increased expenditure for FY12.
- Continuing tight control over all expenditure; however, initial fixed cost investment is required to drive the growth strategy which will be incurred in FY13.



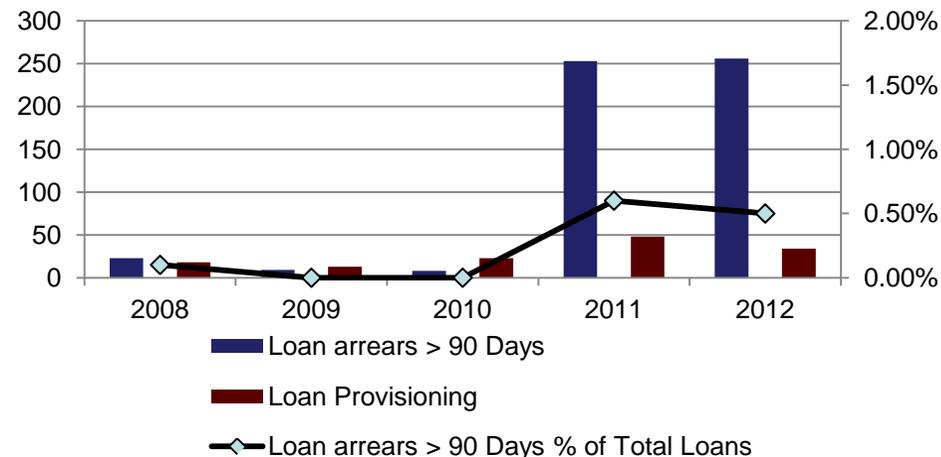
Year End 30 June (\$'000)	2011	2012	Change	Change (%)
Staff Costs	569	560	(9)	(1.6)
Depreciation / Amortisation	62	66	4	6.5
Advertising & Promotion	51	99	48	94.1
Directors' fees	48	47	(1)	(2.1)
Computer system and software costs	118	123	5	4.2
Communication and website costs	86	127	41	47.7
Insurance costs	44	56	12	27.3
Consulting costs	93	131	38	40.9
Products and services delivery costs	344	323	(21)	(6.1)
General administrative costs	185	189	4	2.2
TOTAL	1,600	1,721	121	7.6

* Adjusted for removal of ATM expense in FY08 to FY10; no impact in subsequent years

Lending Quality – ongoing rigour

- Goldfields will continue to benefit from a conservative loan book and rigorous credit processes
- Provisioning and arrears levels as a percentage of total loans remain low

Provisioning



Year End 30 June (\$'000)	2011	2012	Change	Change (%)
Loan impairment Expense / (gains)	25	(14)	(39)	(156.0%)
Provisioning	48	34	(14)	(29.2%)
Provisioning % of Total Loans	0.1%	0.1%	0.0%	0.0%
Loan arrears > 90 Days	253	256	3	1.2%
Loan arrears > 90 Days % of Total Loans	0.6%	0.5%	(0.1%)	(16.7%)

Prudential Ratios



- The Impact of the \$9 million equity raising has significantly enhanced Goldfields capital and liquidity position to fund the growth strategy

Year End 30 June (%)	2011	2012	Change (%)
Capital Adequacy	20.7%	42.9%	22.2%
Tier 1	19.7%	42.0%	22.3%
Tier 2	1.0%	0.9%	(0.1%)
Liquidity			
High Quality Liquid Assets	21.3%	38.0%	16.7%

- **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 the potential for relaxation of credit standards from some competitors.
- **Economy Deteriorates**
 - Global factors continue to 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.

- Generate Scale in Lending - \$88 million over next two years – key strategic goal.
- Fund growth through diversification of channels.
- Margin Management – protect margin.
- Become a low cost provider of Financial Services.
- Prudent and Profitable Risk Management.
- Objective is to limit erosion of recent profitability whilst implementing a growth strategy, which introduces new costs ahead of revenues.

- Goldfields represents an excellent commencing platform. It has been a safe and sound regional institution exposed to one of the more robust economies in the world.
- The platform is unburdened by bricks and mortar and legacy IT issues and has a flexible, extremely competent team of people wanting to build a successful financial institution.
- Excellent client and credit book to commence with, where growth through relationship channels suggests a capacity equivalent to the determination to maintain the quality.
- 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.

- Financial Summary
- Goldfields Money Advantage / Positioning
- High Level Corporate Strategy
- Goldfields Money People and Experience

Goldfields Money Limited – Financial Summary



Year End 30 June (\$'000)	2005	2006	2007	2008	2009	2010	2011	2012
Interest Revenue	2,380	2,560	2,833	3,157	2,909	2,615	3,393	3,980
Interest Expense	1,039	1,165	1,256	1,399	1,355	1,007	1,504	1,980
Net Interest Revenue	1,341	1,395	1,577	1,758	1,554	1,608	1,889	2,000
Other Revenue	1,364	1,248	1,015	1,071	621	524	547	514
Net Revenue	2,705	2,643	2,592	2,829	2,175	2,132	2,436	2,514
Impairment Losses / (gains)	143	28	75	(65)	(2)	11	25	(14)
Other Expenses	1,975	1,966	1,885	1,895	1,653	1,563	1,980	1,956
NPBT	587	649	632	999	524	558	431	572
Taxation	167	198	178	295	151	161	83	104
NPAT	420	451	454	704	373	397	348	468
NPAT Normalised	420	451	454	739	424	397	570	518
NPAT Normalised Growth	30%	7%	1%	63%	-43%	-6%	44%	-9%
Loans	22,149	25,875	28,908	31,381	34,821	38,834	44,373	49,062
Total Assets	34,104	37,497	39,076	42,565	41,901	45,638	58,171	75,849
Deposits	30,218	32,805	33,901	36,408	35,530	39,283	51,322	60,316
Total Liabilities	31,151	33,856	34,977	37,634	36,596	39,936	52,420	61,272
Net Assets	2,953	3,641	4,099	4,931	5,304	5,703	5,751	14,577
Loan Provisioning	N/A	N/A	91	18	13	23	48	34
Provisioning % of Total Loans	0.0%	0.0%	0.3%	0.1%	0.0%	0.1%	0.1%	0.1%
Loan arrears > 90 Days	N/A	N/A	N/A	23	9	8	253	256
Loan arrears > 90 Days % of Total Loans	N/A	N/A	N/A	0.1%	0.0%	0.0%	0.6%	0.5%
Capital Adequacy Ratio	N/A	N/A	20.1%	20.1%	25.5%	24.8%	20.7%	42.9%

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.
- 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.

Strategic Approach

Horizon 1

GMY can grow market share by providing the **highest quality customer service** supported by competitive products and initially appealing to West Australian market

Horizon 2

GMY will actively roll out the distribution through **online banking capability into regional WA**. Where appropriate targeted roll-up acquisitions will be considered

Strategic Focus

Geographies

- GMY will initially be focused on the **Western Australian** market and will promote relationship banking as part of its differentiated value proposition

Customers

- GMY's primary target customers will be **individual West Australian's** within the current areas of operation and then extend into high net worth individuals

Products

- GMY will develop its **product offering** including:
 - Home Loans
 - Personal Loans
 - Deposits
 - CMA
 - Web saver

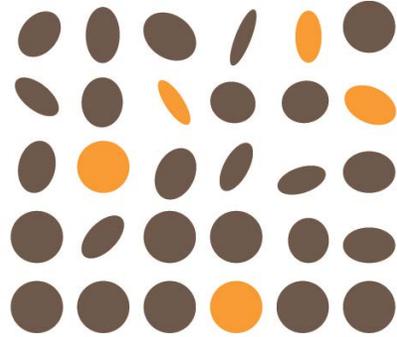
Channels

- GMY will **leverage multiple channels**:
 - Goldfields branches
 - Perth presence
 - Phone banking
 - Internet banking
 - Relationships

The Goldfields Money People – Experienced and Motivated



Allan Pedal <i>Chairman</i>	Director of GCU since 2002; Chairman of GCU since 2005; 22 years experience in banking; Currently partner in local Kalgoorlie real estate business
Bill McKenzie <i>Non Executive Director</i>	Director of GCU since 1994; Chairman of GCU 2003 to 2005; Principal in his own legal practice based in Kalgoorlie
Leigh Junk <i>Non Executive Director</i>	Director of GCU 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>	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>	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 GCU Board during Demutualisation.
Michael Verkuylen <i>CFO / Co Sec</i>	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 GCU since 2005; Over 20 years experience with Commonwealth Bank; Will continue to be based in Kalgoorlie



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Goldfields Money Limited (GMV)

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