



## **Banking on Better Service**

### **Goldfields Money Limited (GMV)**

ABN 63 087 651 849

Financial Results – 30 June 2014

22 August 2014

[www.goldfieldsmoney.com.au](http://www.goldfieldsmoney.com.au)

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**FY14 in Review**

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**Strategy and Outlook**

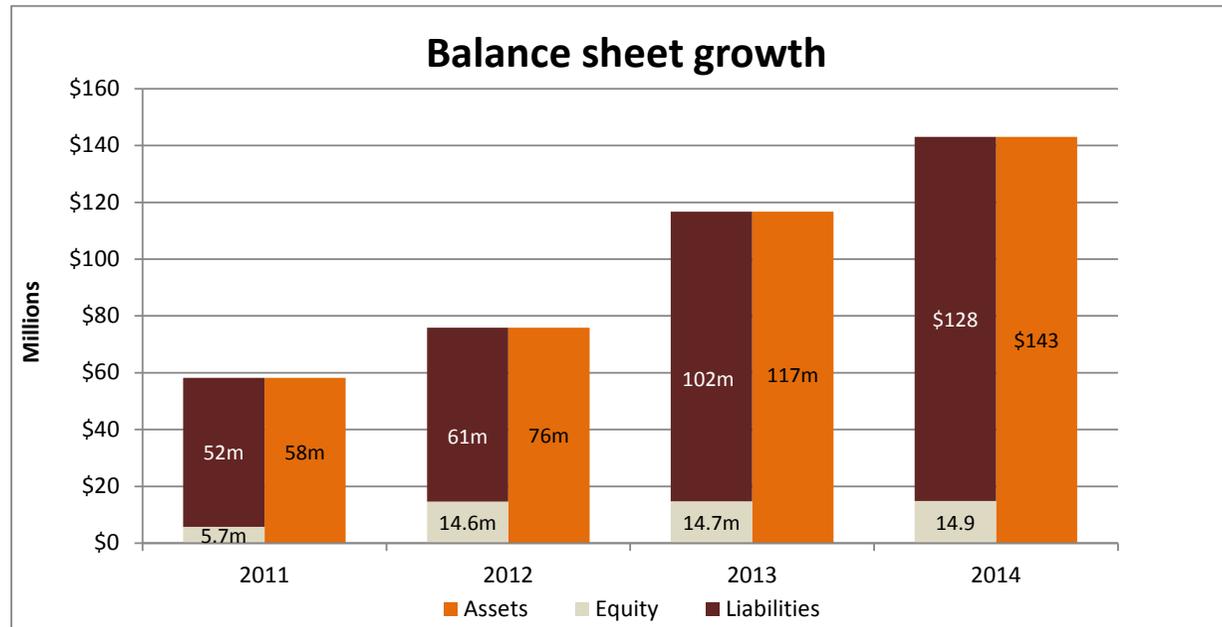
## Result Highlights – FY'2014: Growth Continues



- Loan growth of 41% or over \$2.8m per month, compared to system growth of 5.1%.
- New lending averaging \$4m per month
- Net interest income increased 15% or \$344,488 to \$2.98m
- Deposits growth of 27% or over \$2.25m per month
- Total Assets as at 30 June 2014 of \$143m versus \$117m in previous year
- Disciplined approach to growth, focusing on credit quality and balanced risk appetite – arrears levels at 0.2% of loan book.
- Net Profit improved by 2%, with the business still investing for future growth and enhanced risk management

# Result Highlights – FY'2014: Growth Continues

- Focus on growing balance sheet continued into FY'2014 with capacity to grow further. Since demutualising in May 2012, the Company has more than doubled its balance sheet and interest earning assets



- Achieving scale, maintaining prudent risk management and investing in the business for future growth is critical to ensuring sound foundations for long term returns

# FY'2014 Financial Results Summary



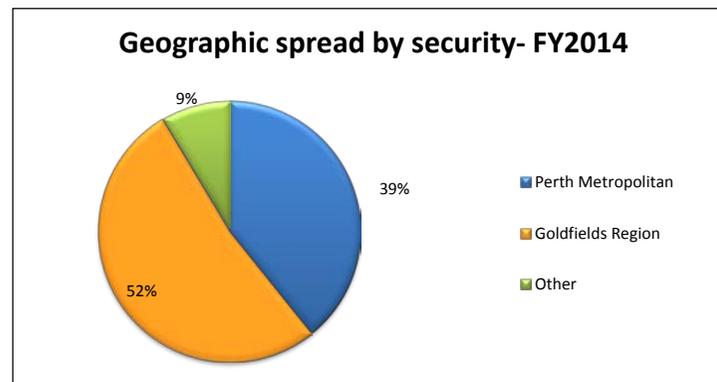
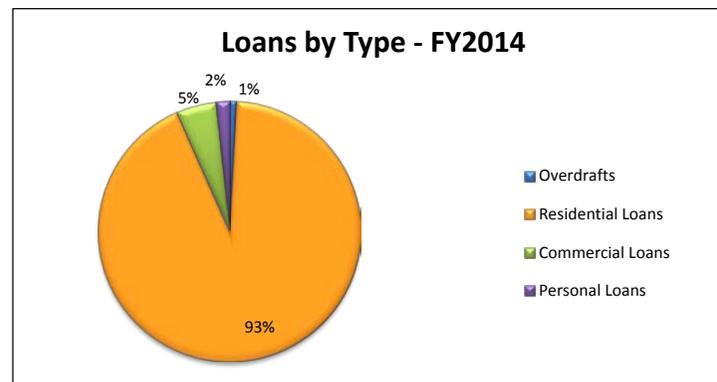
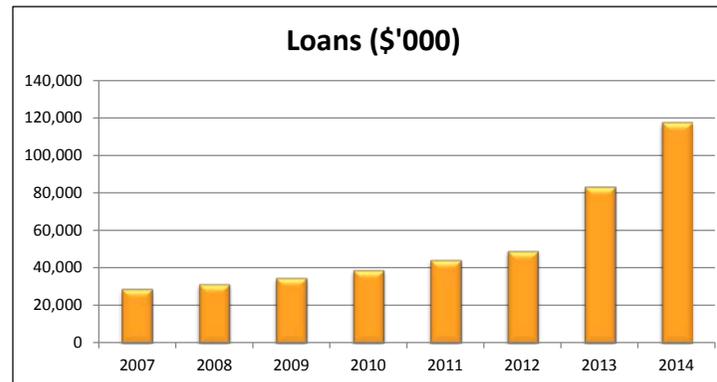
	FY'2014	FY'2013	Change on FY'2013
Net Interest Revenue	\$2,584,685	\$2,240,197	15% ↑
Other Revenue	\$393,395	\$446,567	12% ↓
Impairment (losses) / gains	\$1,212	\$17,278	-
Employment Expenses	(\$1,290,527)	(\$1,089,837)	18% ↑
Other Expenses	(\$1,512,765)	(\$1,443,188)	5% ↑
Statutory NPAT	\$201,204	\$196,709	2% ↑

	30 June 2014	30 Jun 2013	Change on FY'2013
Loans	\$117,338,970	\$83,281,109	41% ↑
Deposits	\$127,689,699	\$101,519,721	26% ↑
Assets	\$143,063,370	\$116,764,441	22% ↑
Net Tangible Assets	\$14,583,127	\$14,405,446	1% ↑
Capital Adequacy ratio*	21.6%	28.1%	6.5% ↓

\*Measured in absolute terms

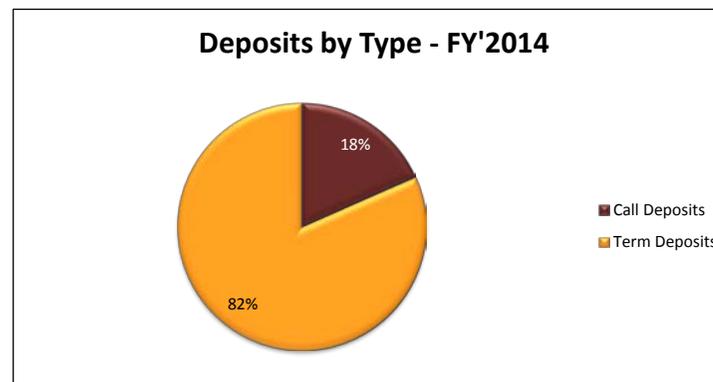
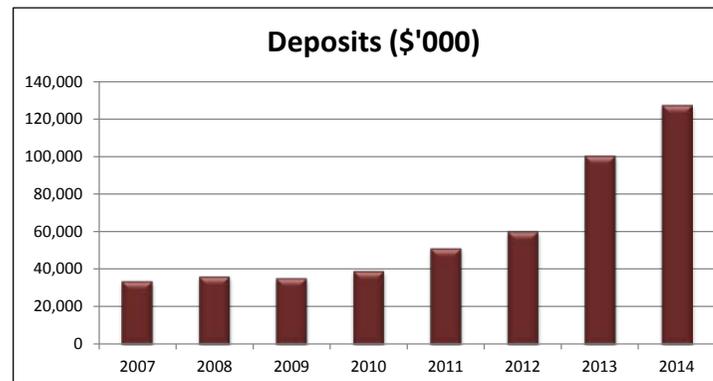
# The Lending Portfolio – focus on quality

- An average of \$4m in new loans funded per month.
- Net loan growth of \$34m during period.
- Lending portfolio growth of 41%, outperforming national credit growth of 5.1% during same period.
- Portfolio composition remains relatively consistent and well secured.
- Expansion into Perth continues to diversify concentration risk to Goldfields with other regions, including Perth representing 39% (FY2013: 31%).
- Originated 51% direct and 49% through mortgage broker channels..



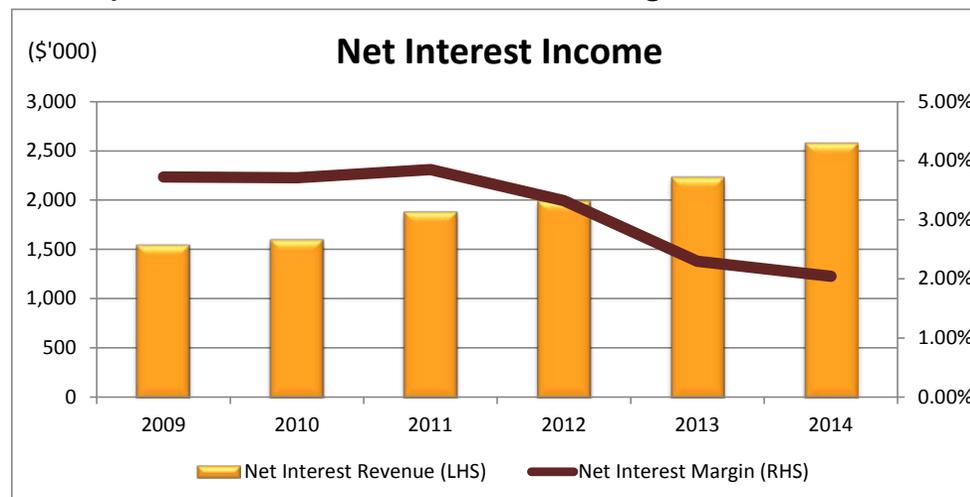
# Funding our growth

- Deposits grew by \$26m, with excess liquidity utilised to meet lending growth
- Ability to source new deposits remains strong
- Multiple distribution arrangements in place with national networks to complement direct channels
- Currently distributing term deposits through Firstmac Limited and expected to launch a transaction account in Q1'2014
- Continuing deposit product development and considering other distribution arrangements
- Strategic Objective to reduce cost of funds by reducing dependence on Term Deposits
- Establishment of warehouse facilities in FY'15



# Net Interest Income and Margin

- Net interest income continues to increase as the lending book grows, increasing 15% or \$344,488
- Net Interest margin for the year was 2.04% compared to 2.3% for FY2013
- 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
- Margin benefit from selective growth in secured business and personal lending consistent with a conservative risk appetite
- Strong competition for lending is seeing lending rates across the banking sector lower which place further pressure on net interest margins



# Lending Quality – ongoing disciplined risk management



- Provisioning for impairment remains at historical lows
- No loans written off as bad debts or impairment loss recognised in FY'14.
- Robust lending criteria and a conservative loan book translates to high quality lending assets.
- Average portfolio Loan-to-Value Ratio is 65%.
- Loans in arrears, including >90 days remain well secured and are being managed appropriately.

	30 Jun 2014	30 Jun 2013	Change
Provisioning (\$'000's)	1	4	(3)
Provisioning % of Total Loans	<0.01%	<0.01%	(0%)
Loan arrears (\$'000's) > 30 Days*	187	0	187
Loan arrears > 30 Days % of Total Loans*	0.15%	0%	0.15%
Loan arrears (\$'000's) > 90 Days*	259	0	259
Loan arrears > 90 Days % of Total Loans*	0.2%	0%	0.2%

\*Excludes overdrawn savings accounts

**1**

**FY14 in Review**

**2**

**Strategy and Outlook**

- Continuing to grow the lending portfolio remains a core objective and achieving scale critical to long term sustainability
- Leverage from existing and new partnerships and strategic relationships will provide a solid growth platform
- Minimum capital requirement for regulatory purposes lowered from 20% to 18% providing additional capacity to continue lending growth
- Portfolio funding agreement signed in August 2014 to provide a \$25m off balance sheet facility to provide further capacity to fund growth with capital relief.
- Establishment of warehousing facility will provide further flexibility for capital management
- Ongoing review and enhancement of existing products and origination channels, with focus on lower cost deposit products
- Continue to grow profitably within well define risk appetite
- Implementation of updated strategic plan

Goldfields Money has updated the strategic plan during the year – our mission to deliver sustainable and satisfactory returns for shareholders in the long term remains.

Three key strategic objectives to be implemented in parallel over next three years with substantial milestones targeted for FY2015:

1. Develop and implement a transaction account deposit offering to be leveraged via third parties to provide scale in lower cost funding.
2. Implement Operational Excellence across Goldfields Money to enhance operational efficiency and productivity.
3. Identification of acquisition opportunities and Investment in strategic partner(s) to significantly enhance capability, size and financial strength to realise shareholder value.

Leveraging Goldfields Money's unique position as a small cap, ASX listed, Authorised Deposit-taking Institution is key to taking the Company to the next level of its growth strategy.

- Corporate Overview

# Corporate Overview

- Capital Structure**

Shares	15,666,829
Last Share Price (21/08/14)	\$1.03
Market Capitalisation	\$16.136m
52 week High / Low	\$1.15 / \$0.92
Unlisted Options:	4,500,000
Total Shareholders (21/08/14)	2,019

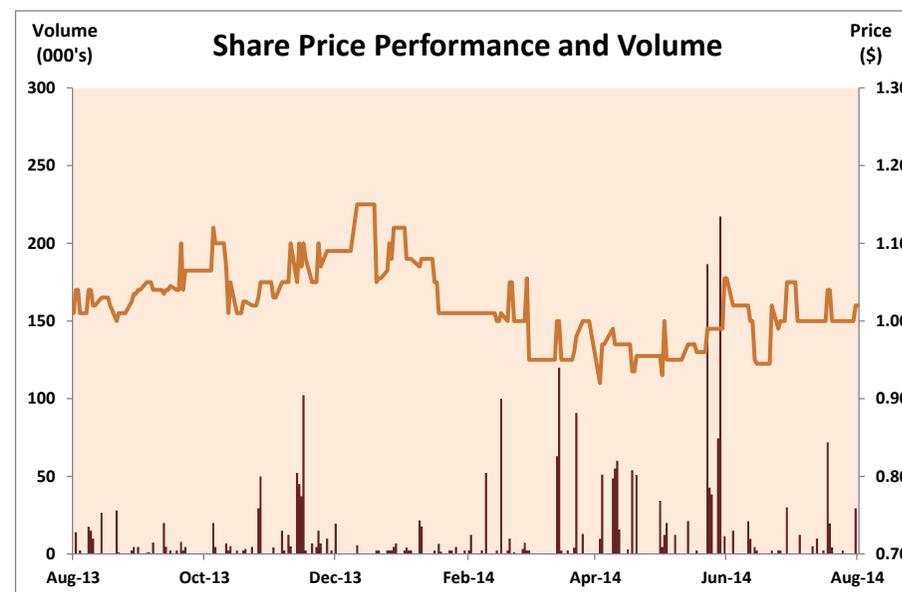
- Top 10 Shareholders (as at 21 August 2014)**

1. Trio C Pty Ltd	15.0%
2. JH Nominees Australia Pty Ltd*	8.1%
3. Rocket Science Pty Ltd*	6.9%
4. Midbridge Investments Pty Ltd	4.8%
5. Dreampoint Investments Pty Ltd	3.7%
6. Sequoia Group Holdings Pty Ltd	2.6%
7. B F A Pty Ltd	2.5%
8. Jasper Hill Resources Pty Ltd	2.4%
9. Kemast Investments Pty Ltd	2.2%
10. Write Family Investments Pty Ltd	2.2%

\*Associated entities

- Directors / Senior Management**

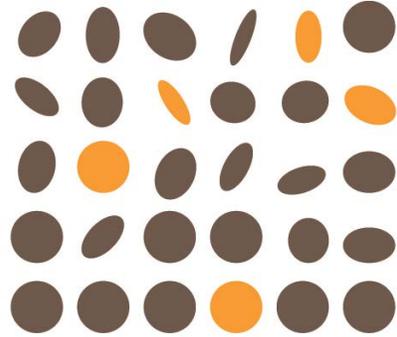
Allan Pandal	Non Executive Chairman
Bill McKenzie	Non Executive Director
James Austin	Non Executive Director
Robert Bransby	Non Executive Director
Peter Wallace	Non Executive Director
David Holden	Managing Director
Michael Verkuynen	CFO and Company Secretary



# Important Notices



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M O N E Y

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