



20 August 2015

## **ASX MEDIA RELEASE**

### **FINANCIAL RESULTS YEAR ENDED 30 JUNE 2015**

- **Focus on continuing to grow the lending portfolio has continued resulting in a 23% increase in loans under management**
- **The growth in lending activity has supported a 14% increase in net interest income**
- **Statutory net profit after tax for FY'2015 of \$139,951**
- **Normalised net profit after tax for FY'2015 of \$285,197<sup>1</sup>; an increase of 50% over FY'2014.**

**Goldfields Money Limited** ("Goldfields Money") is pleased to release the financial results for the year ended 30 June 2015. We commenced FY'2015 with plans to continue to grow the lending portfolio and have done so, increasing loans under management from \$118.3m in FY'2014 to \$145.8m in FY'2015. This represents an increase of 23% well in excess of system growth. Since demutualising in May 2012, the Company has nearly trebled its loans under management. This growth has been underpinned by well secured and quality residential lending, and as a result, we have retained a prudent credit risk profile.

Whilst statutory net profit after tax of \$139,951 was below last year's result of \$190,092 it included an impairment loss of \$178,625 in connection with software development costs, as well as \$28,869 in associated contractual obligations settled. Excluding these items, profit after tax was \$285,197<sup>1</sup>, which is a 50% increase on last year's result.

Commenting on the financial performance, Mr David Holden, Chief Executive Officer said "Achieving the growth and scale in the lending book has contributed toward building a stronger underlying earnings base. We are continuing to focus on building capability and investing in the business to provide the foundation and opportunities for enhanced earnings growth as we progress our strategic objectives."

A component of these strategic objectives is to develop and implement arrangements with strategic partners. The ultimate aim of this strategic partnering is to be able to issue Goldfields Money products to the customer bases of strategic partners. These arrangements will be a cost effective and sustainable approach to generating further scale. These initiatives will progress in parallel with Goldfields Money's own direct growth initiatives. With Firstmac Limited, Australia's largest non-bank lender we have commenced issuing term deposits to their customers and are implementing plans to offer a transaction account also. In May 2015, we announced we had finalised a Memorandum of Understanding with

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<sup>1</sup> Refer to Directors' Report, page 6 of the Financial Report for 30 June 2015, for the reconciliation between statutory and normalised results.



financial services provider Pioneer Credit Limited. The MOU provides a framework for future agreement for Goldfields Money to issue products to Pioneer Credit's customers. Through their respective associates, both Firstmac Limited and Pioneer Credit Limited are substantial shareholders of Goldfields Money.

The weighted average Loan to Valuation Ratio (LVR) in the residential lending portfolio is approximately 66% (FY'2014: 65%). The credit risk appetite remains conservative and the lending portfolio remains well secured and of a high quality. Loans greater than 30 and 90 days in arrears at 30 June 2015 were 0.95% and 0.33% respectively of the portfolio. The level of provision for impairment is immaterial relative to the size of the portfolio.

In June 2015, the Board of Directors also resolved to lower the minimum capital ratio for regulatory purposes from 18% to 17%. The capital ratio as at 30 June 2015 for regulatory purposes was 19.20%, meaning Goldfields Money has some capacity to continue originating loans on balance sheet, and will be supplemented by further off balance sheet lending. As reported previously we commenced funding loans into an off-balance facility with an Australian bank. This arrangement has been implemented and operating well and provides Goldfields Money with the ability to generate additional income without having to hold additional capital.

Commenting on the outlook for the 2016 financial year, Mr Holden said "Goldfields Money is at an exciting stage of its growth journey. Our strategy of differentiation through becoming a provider of financial products to non-ADI financial services providers and the ability to upscale through investment in strategic alliances and distribution arrangements provides unique opportunities. In addition, we will continue to look for roll-up opportunities to significantly grow the business and earnings profile."

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**Media Enquires**

David Holden, Chief Executive Officer, 0418 946287

**About Goldfields Money Limited**

Goldfields Money is an Australian Authorised Deposit-taking institution (ADI) which leverages its banking status to offer financial products and services to non-ADI financial service providers through distribution arrangements and strategic alliances.

Goldfields Money Limited is regulated by the Australian Prudential Regulation Authority (APRA). Established in 1982 as Goldfields Credit Union, the Company demutualised and listed on the Australian Securities Exchange in May 2012. Goldfields Money is currently the only Western Australian headquartered and ASX-listed Authorised Deposit-taking Institution.