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Investor Presentation

Capital Raising and Finsure Transaction Update

18 April 2018

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- The Information disclosed relates to the business of Finsure at the date the Information was provided to Goldfields Money, and that information may not be current as at the date of this Document. Material information may have changed since the date the Information was compiled. No responsibility is accepted to advise any person of any change.
- The information in this document is sourced from the following:
 - Finsure Management Reports
 - Finsure interim financial report for the period ended 31 December 2017 (reviewed by PwC)

Section I

FINSURE TRANSACTION OVERVIEW

TRANSACTION OVERVIEW

The proposed merger with Finsure involves the acquisition by Goldfields Money of 100% of the diluted shares in Finsure via the issue of Goldfields Money shares.

Key Terms



CONSIDERATION SHARES

Goldfields Money proposes to issue 40,750,000 fully paid ordinary shares to Finsure shareholders based on an agreed issue price of \$1.50 per share valuing Finsure at ~\$61 million and the merged group at ~\$98 million



BOARD COMPOSITION

Finsure co-founder and CEO, John Kolenda, has joined the Goldfields Money Board at the invitation of the existing Board



CONDITIONS

The proposed merger is subject to satisfaction (or waiver, if applicable) of the remaining conditions:

- Obtaining all necessary regulatory approvals (including FSSA approval from the Federal Treasurer)
- Obtaining all necessary Goldfields Money shareholder approvals
- ASX approving the quotation of Goldfields Money shares issued as consideration
- No Goldfields Money or Finsure material adverse effect or “prescribed event”



OPPORTUNITY TO VOTE

Goldfields Money shareholders will be given the opportunity to vote on the proposed merger with Finsure, which will be subject to a simple majority vote (i.e. >50%)



TIMELINE

Dispatch Notice of Meeting	May 2018
Shareholder meeting	June 2018
Completion	June 2018

Key Benefits

DIVERSIFIED REVENUE STREAMS

- Access to diversified revenue streams including aggregation, wholesale product offerings, broker subscription fees
- Broader geographical exposure including an established east coast presence

INCREASED LOAN VOLUMES

- Access to increased loan volumes by joining Finsure’s panel of lenders, and the potential opportunity to fund part of the wholesale and white-label businesses

LOWER COST FUNDING

- Access to lower cost funding via Finsure’s distribution channels for deposit products including term deposits and transaction accounts

ACHIEVE NEW MARKET STATUS

- Ability to fast-track Goldfield Money’s aim of becoming a diversified financial services business with banking status by leveraging complimentary services and increasing scale

OPERATIONAL SYNERGIES

- Whilst the intention is to keep the Goldfields Money and Finsure businesses operationally separate, there are a number of opportunities to rationalise functions that are duplicated including back-office support and credit assessment

COMBINED GROUP – CAPITAL STRUCTURE

Capital Raise

- The Company is raising ~\$4.7m in new capital via the issue of 3,379,000 new fully paid ordinary shares at an issue price of \$1.40 (“Capital Raise”)
- Funds raised from the Capital Raise will be used to support the Company’s prudential capital requirements and enable the Company to pursue further lending growth
- The Company expects to raise additional capital as part of the Finsure Transaction in order to ensure that the merged group maintains sufficient regulatory capital and to fund additional lending growth

Combined Group Capital Structure

Shares On Issue (#)	Pre Capital Raise	Post Capital Raise
Shares on issue pre Finsure Transaction	22,528,066	22,528,066
Finsure Transaction consideration shares	40,750,000	40,750,000
Capital Raise shares	-	3,379,000
Shares on issue post Finsure Transaction (undiluted)	63,278,066	66,657,066
Existing Performance Rights	1,940,000	1,940,000
Existing Options	4,500,000	4,500,000
Shares on issue post Finsure Transaction (diluted)	69,718,066	73,097,066
Implied Market Capitalisation(\$m)	Pre Capital Raise	Post Capital Raise
Post Finsure Transaction (undiluted) @ \$1.50 per share ¹	\$94.9m	\$100.0m
Post Finsure Transaction (diluted) @ \$1.50 per share ¹	\$104.6m	\$109.6m

Notes:

1. Based on the agreed issue price of \$1.50 per share for the consideration shares to be issued as part of the Finsure Transaction.c

Performance Rights

OVERVIEW	Goldfields Money currently has 1,940,000 Performance Rights on issue under the Goldfields Money Equity Incentive Plan, each entitling the holder to receive 1 Share on vesting
CONDITIONS	Each Performance right may be subject to one or more performance conditions, forfeiture conditions and disposal restrictions, as set out in an individual invitation letter
EXPIRY DATE	Subject to any such conditions being satisfied, vested Goldfields Money Performance Rights may be exercised up until 29 November 2021

Options

OVERVIEW	Goldfields Money currently has 4,500,000 unlisted Options on issue, each entitling the holder to subscribe for 1 Goldfields Money share on exercise
EXERCISE PRICE	The exercise price of each Option is \$1.50
EXPIRY DATE	Each Option will expire on 11 May 2019, being the seventh anniversary of the issue date
RANKING	Shares issued on the exercise of the Options will, subject to the constitution of Goldfields Money, rank equally in all respects (including rights to dividends) with existing Shares
QUOTATION	The Options are not quoted on the ASX or any other securities exchange

Section II

GOLDFIELDS MONEY OVERVIEW

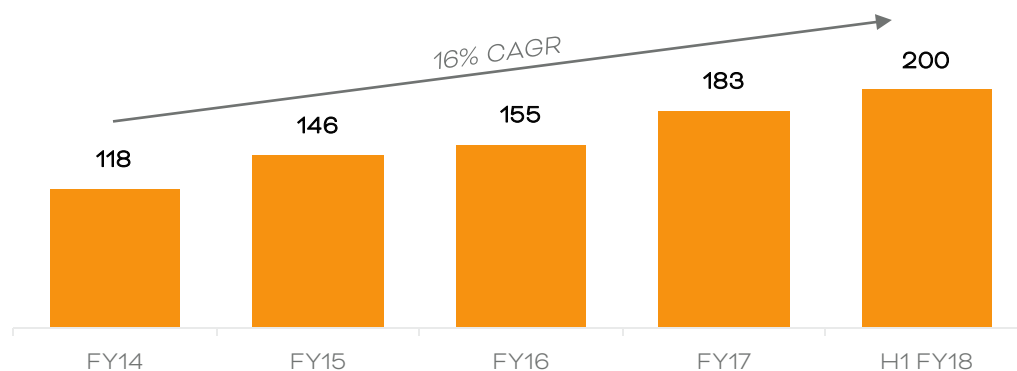
GOLDFIELDS MONEY – BUSINESS SUMMARY

Goldfields Money primarily provides a suite of simple retail banking products and services including deposits and personal, investor and home loans.

Summary

- Goldfields Money is an APRA regulated Authorised Deposit-Taking Institution (ADI)
- Goldfields Money primarily provides a suite of simple retail banking products and services including deposits and loans (personal, investor and home loan)
- To date Goldfields Money's growth has been constrained by outdated legacy systems. In the coming weeks Goldfields Money is expecting to launch a new core banking system powered by Temenos, a global provider of digital banking software
- Goldfields Money marked its return to profitability during the period H1FY18 with an underlying profit after tax of ~\$0.4m (normalised for transaction costs incurred in relation to the Firstmac takeover offers and proposed Finsure merger)

Total Historical Book Size (A\$m)



Client Centricity

Deliver a customer-driven digital banking experience that is personalised, contextual and frictionless through core banking software platform

Business Flexibility

Adopt agility as a dominant gene of the business model through open integration and complementary services

Open Innovation

Continued innovation of processes that combines clients needs and digital solutions



GOLDFIELDS MONEY – BUSINESS MODEL

The combination of an ADI and market-leading digital platform will enable Goldfields Money to operate a unique banking aggregation model, which provides partner organisations with access to banking products and aligned fintech services.

Summary

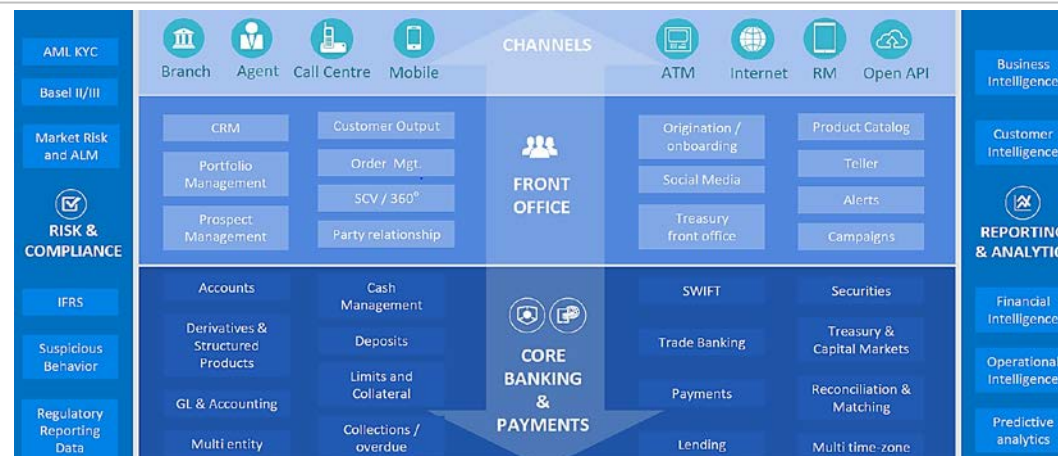
 FUNDING	 LENDING	 PLATFORM	 DISTRIBUTION
<ul style="list-style-type: none">▪ Goldfields Money is an Authorised Deposit-taking Institution (“ADI”) with deposits up to \$250,000 guaranteed by the Australian Government▪ Funding sources include call deposits, term deposits and an existing off-balance sheet facility▪ There is a near-term opportunity to reduce cost of funding and improve the net interest margin	<ul style="list-style-type: none">▪ Lending activities include residential loans, car loans, personal loans, business loans, overdrafts and terms loans▪ New lending continues to be sourced through a combination of direct channels and mortgage broker based origination▪ The Finsure merger will provide access to a significant distribution network	<ul style="list-style-type: none">▪ Significant investment has been made in a new Core Banking System (“CBS”), Finance System and Desktop Management Systems to transition the historical systems to modern platforms sourced from Rubik Financial and the Temenos Group▪ The new CBS is designed to enable greater volumes of lending and deposits through a cost efficient and scalable system enabling growth to be more rapid in an economically viable environment, and less dependent on manual processing	<ul style="list-style-type: none">▪ A range of relationships already exist with distribution partners such as Pioneer Credit, Firstmac, Finsure and InstaRem (as well as others)▪ These white label partnerships will assist with distribution of products and build scale whilst also sharing in the costs of the banking platform▪ The proposed merger with Finsure will provide improved growth prospects with access to extensive distribution capabilities

GOLDFIELDS MONEY – DIGITAL BANKING PLATFORM

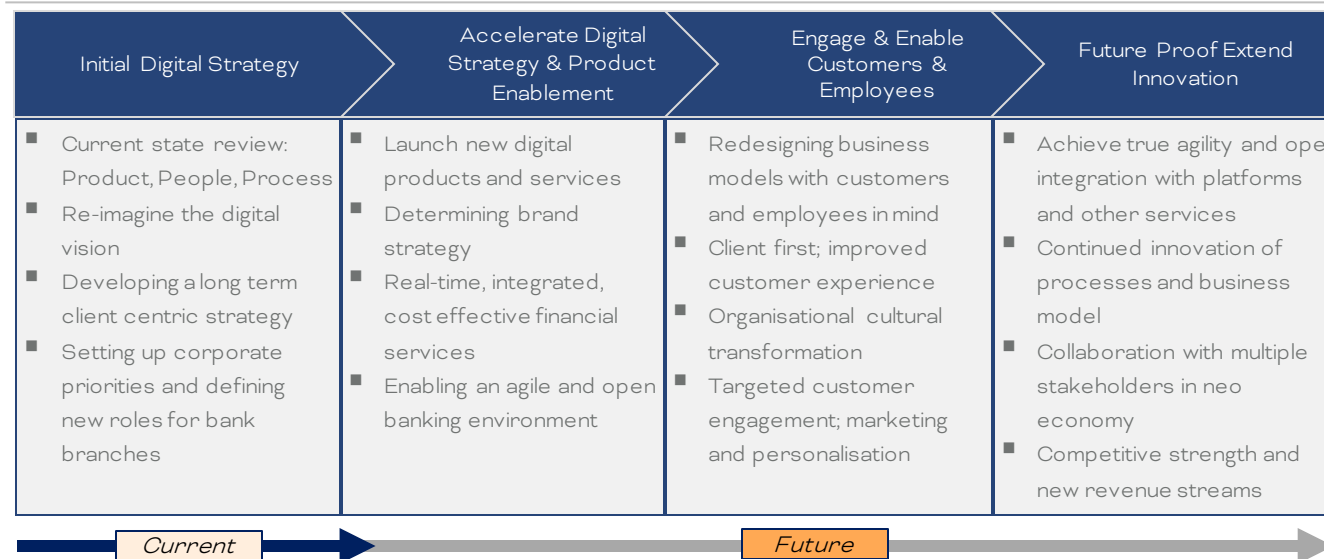
Summary

- New core banking system provided by Temenos Group AG (SWX:TEMN), a leading global banking software provider projected to invest \$1.1bn into R&D from 2017 to 2023
- As of April 2018, Temenos Group has a market capitalisation of ~\$11,000m and generated ~\$1,000m revenue and ~\$350m EBITDA in FY17
- The implementation of the Temenos platform allows Goldfields to scale and transform into a digital lead bank with an enhanced product offering covering:
 - Internet and mobile banking
 - Product integration through open architecture APIs
 - Streamlined online account opening
 - Retail POS and broker integration
- System currently undergoing User Acceptance Testing (UAT) and forecast to go live in the coming weeks
- Temenos agreement set on a per-client sliding scale basis with Temenos to undertake all hosting and associated costs
- Offers full digital banking platform at a fraction of the cost of inhouse development or hosting

Banking as a Service



Transition to a Digital Bank



Section III

FINSURE OVERVIEW

FINSURE – BUSINESS SUMMARY

Finsure provides B2B finance aggregation services from a panel of financial product issuers, to a network of loan writers across Australia.

Summary

- At 31 Dec 2017 Finsure had over 1,370 accredited loan writers across Australia settling ~\$11b in combined residential and commercial mortgages over the last twelve months
- The current panel of product providers include residential and commercial mortgages, general insurance and asset finance
- Since inception, Finsure has built a strong brand presence in the marketplace. More recently, Finsure has received multiple industry awards for its achievements across marketing, lead generation and total settlement volumes

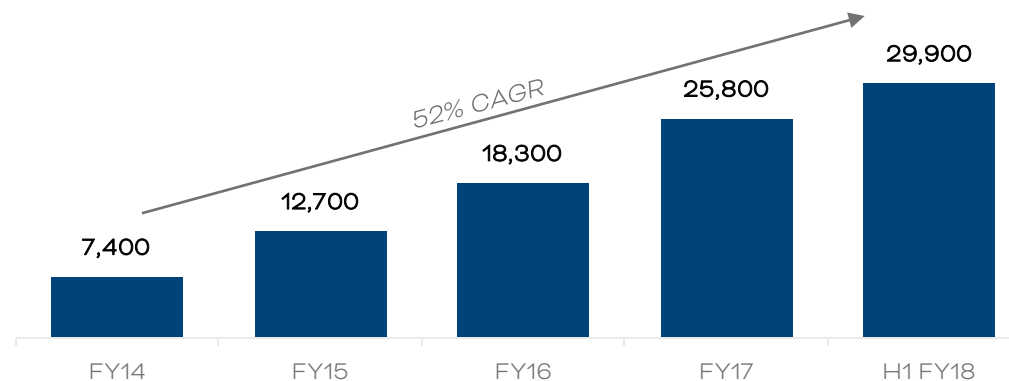
Industry Awards



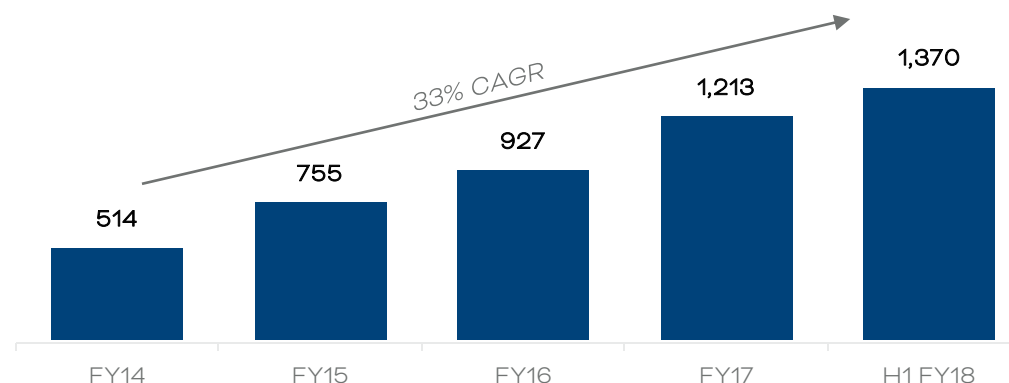
Owner of Marquee Assets



Total Historical Book Size (A\$m)



Total Loan Writers (#)



FINSURE – BUSINESS MODEL

Finsure has a scalable, differentiated business model.

Summary

- Finsure offers a complete solution to loan writers to allow them to maximise their sales productivity under a range of fee and service models
- Loan writers have the opportunity to switch between fee and service models within Finsure to reflect their differing needs over their life cycle
- Finsure operates on a proprietary software platform “LoanKit” that allows it to efficiently service loan writers and provide them with leading services at a low cost

Technology Led Platform



Fee and Service Models

		Pass-through model with leads	Pass-through model	Transaction model	Flat-fee model
		<ul style="list-style-type: none"> ▪ Finsure retains between ~50% and ~30% of upfront and trail commissions respectively ▪ All PaaS are included in 50% model ▪ PaaS are charged on a monthly or per use basis for 30% model 	<ul style="list-style-type: none"> ▪ Finsure retains between ~10% and ~5% of upfront and trail commissions respectively ▪ PaaS are charged on a monthly or per use basis 	<ul style="list-style-type: none"> ▪ Finsure charges a flat fee to each broker per loan settlement and per trail commission ▪ PaaS are charged on a monthly or per use basis 	<ul style="list-style-type: none"> ▪ Finsure charges a flat monthly fee to each broker irrespective of settlement volumes ▪ PaaS are charged on a monthly or per use basis
Base	Included services in base	<ul style="list-style-type: none"> ▪ Access to lender panel ▪ Broker accreditation ▪ BDM support 	<ul style="list-style-type: none"> ▪ Loan lodgement ▪ Commission processing ▪ Professional development days 	<ul style="list-style-type: none"> ▪ Strategy development ▪ Access to conferences ▪ Loan writer training 	<ul style="list-style-type: none"> ▪ WikiBroker services ▪ Customer data ▪ Graphic design services
Platform as a Service ("PaaS")	PAYG services additional to base	<ul style="list-style-type: none"> ▪ LoanKit software ▪ Website development and content ▪ Website hosting 	<ul style="list-style-type: none"> ▪ CRM API integration ▪ Loan writer mentoring program ▪ Compliance services 	<ul style="list-style-type: none"> ▪ Call centre services ▪ Product comparison tools ▪ Mortgage calculator APIs 	<ul style="list-style-type: none"> ▪ Press releases ▪ Loan writer academy ▪ Leads package

Ability to transition between models

FINSURE – MARKET POSITIONING

Finsure is positioned as a leader in the market in offering flexible loan writer commission models, lead generation and support services. Finsure also operates a complementary Wholesale mortgage management business.

Aggregation Positioning

- Focused on growing and supporting its loan writer base through a range of services including leads, compliance, marketing and training
- Finsure offer loan writers the ability to choose between operating under their own Australian Credit License (“ACL”) or become an authorised Credit Representative under Finsure’s ACL
- Finsure offers the option of either volume-based or flat fee commission schemes suited towards the level of experience and business requirements of each individual loan writer
- Finsure is well placed relative to peers in terms of:
 - Flexibility of commission structures
 - Level of broker services and leads
- Finsure’s agility is seen as a competitive advantage in broker recruitment and retention

Wholesale Positioning

- Focused on strategic acquisitions in the wholesale space since FY15, as part of Finsure’s longer term strategy to build a fully integrated wholesale mortgage business
- Finsure’s wholesale business division adopted a single brand marketing strategy ‘Better Choice’ for its white-labelled product in January 2017











- In addition to being on the Finsure lender panel, Better Choice is available to over ~6,000 additional loan writers through other distribution channels it has commercial relationships with
- Finsure’s wholesale mortgage management offering is complementary with the Goldfields Money business and represents a viable growth opportunity for the combined group
- Through the combined resources of Goldfields Money and Finsure’s wholesale mortgage management business, the merged companies will enjoy greater access to funding and securitisation markets

Section IV

COMBINED GROUP OVERVIEW

COMBINED GROUP - ECO SYSTEM

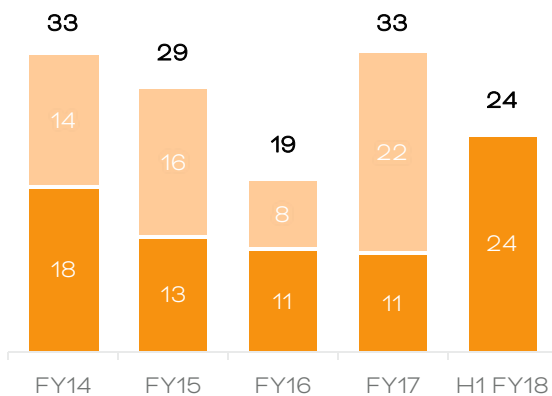
			
	Digital Banking	Wholesale Finance	Mortgage Aggregation
Key Metrics	<ul style="list-style-type: none"> \$200m loan book (as at Dec 2017) 3 branches and broker referrers 20+ team predominantly WA Profitable 1HFY18 	<ul style="list-style-type: none"> ~\$1.5b loan book (as at Dec 2017) Access to 6,000+ external brokers 30+ team predominantly QLD Profitable 1HFY18 NHL Acquisition adds c\$0.7b to book 	<ul style="list-style-type: none"> ~\$28.4b historical book (as at Dec 2017) Access to 1370 internal brokers 50+ team with national operations Profitable 1HFY18
Licences	<ul style="list-style-type: none"> Banking license, AFSL & ACL 246884 Authorised Deposit-taking Institution ("ADI") with deposits up to \$250,000 guaranteed by the Australian Government 	<ul style="list-style-type: none"> Australian Credit Licence 482100 Australian Credit Licence 378333 	<ul style="list-style-type: none"> Australian Credit Licence 383640 Australian Credit Licence 384704
Technology			 <i>Proprietary Software</i>
	Internal R&D Team of 8 FTE		
Distribution	External	6000 brokers	Internal
			



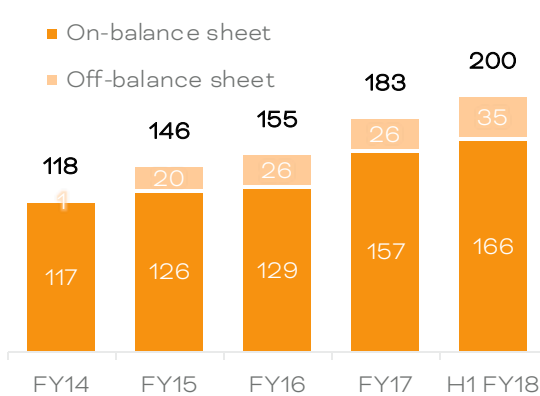
COMBINED GROUP - OVERVIEW

Goldfields Money

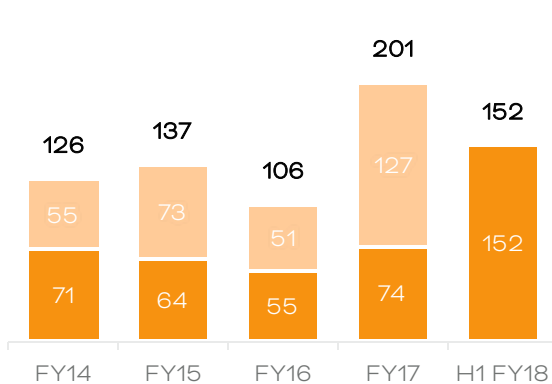
Total Loan Settlements (A\$m)



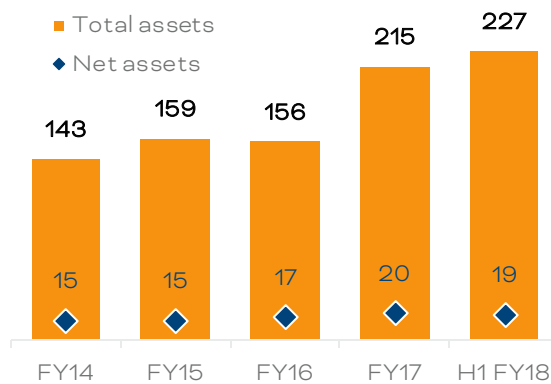
Total Loans Under Management (A\$m)



Total Loan Volumes (#)

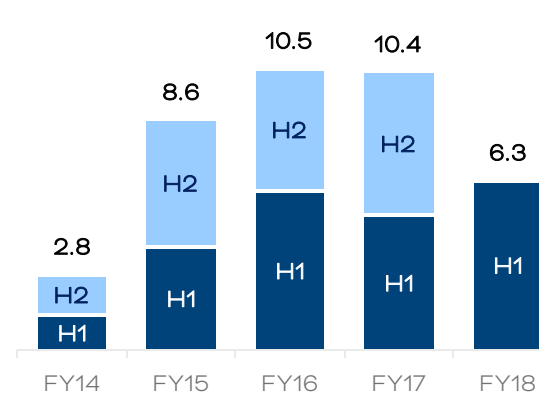


Total Assets & Net Tangible Assets (A\$m)

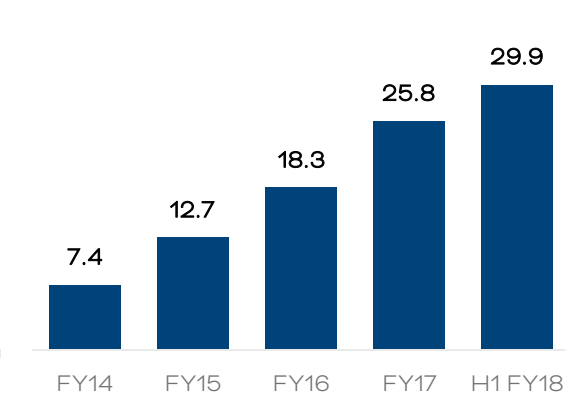


Finsure

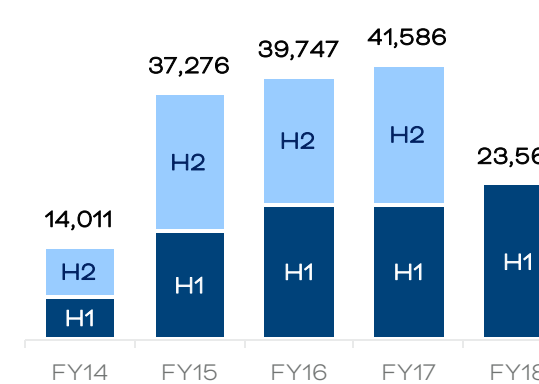
Total Loan Settlements (A\$b)



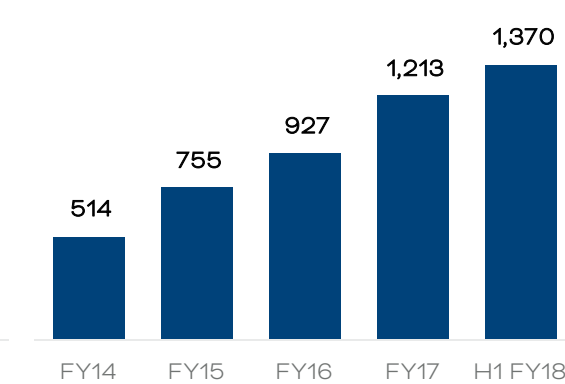
Total Historical Book Size (A\$b)



Total Loan Volumes (#)



Total Loan Writers (#)



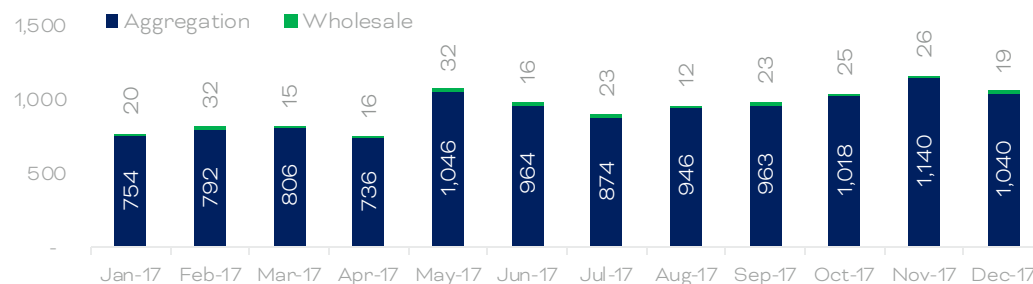
COMBINED GROUP – GROWTH OPPORTUNITY

Growth opportunity

- Through its Aggregation and Wholesale platforms Finsure currently settles ~\$1,000m in loans per month, of which ~\$50m represents products that Finsure has designed to fit customer needs, funded from third parties and white-labelled
- Finsure generates 30-35 bps upfront and 20-25 bps as ongoing revenue from those products that sit within the Wholesale business. The funders to these products retain the Net Interest Margin (“NIM”). As of 31 Dec 17, the Wholesale business had a loan book balance of \$1,460m
- Post merger, subject to meeting credit criteria the combined group will have the opportunity to fund a portion of these volumes and grow the NIM
- In the half year ended 31 Dec 2017, Goldfields achieved a NIM of ~198bps
- Based on an estimated NIM of ~150-200bps, a Level 1 Capital Adequacy Ratio (“CAR”) of 17% and an average risk-weighting of 35%, every \$100m in lending products funded generates ~\$1.5-2.0m in NIM and requires an additional ~\$6m in regulatory capital (which is equivalent to a ROI of ~25-36%)

Finsure Group Settlements (A\$m)

~\$50m in monthly White Label settlements comprising: ~\$30m MyLoan and ~\$20m Better Choice



Finsure and GMY Net Income Margins

Finsure Aggregation		Finsure Wholesale		Goldfields Money
Upfront net revenue margin	Trail net revenue margin	Upfront net revenue margin	Trail net revenue margin	Historical NIM
4 bps	2 bps	30-35 bps	30-25 bps	150-200 bps

Sensitivity Analysis (shown for illustrative purposes only)

		Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	
		Net Interest Margin (\$m)					
		NIM (bps) >	150 bps	160 bps	170 bps	180 bps	190 bps
Volume 1	\$50m	0.8	0.8	0.9	0.9	1.0	
	\$100m	1.5	1.6	1.7	1.8	1.9	
	\$200m	3.0	3.2	3.4	3.6	3.8	
		Capital Required (\$m) ²					
		CAR (%) >	17.0%	16.5%	16.0%	15.5%	15.0%
Volume 1	\$50m	3.0	2.9	2.8	2.7	2.6	
	\$100m	6.0	5.8	5.6	5.4	5.3	
	\$200m	11.9	11.6	11.2	10.9	10.5	
		ROI (%)	25%	28%	30%	33%	36%

Notes:

- Volumes are illustrative only.
- Based on an average risk-weighting of 35%.

goldfields
money
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 FINSURE
FINANCE AND INSURANCE

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