



Christian Savings' financial information
relating to, and forming part of, the Product Disclosure Statement
for an offer of deposits by Christian Savings Limited dated
25 November 2020

Dated 25 November 2020

Christian Savings' Financial Information

Christian Savings Limited (**Christian Savings, we, or us**) is required by law and its trust deed to meet certain financial requirements. This table shows how Christian Savings is currently meeting those requirements. These are minimum requirements. Meeting them does not mean that Christian Savings is safe. The section on specific risks relating to Christian Savings' creditworthiness in the Product Disclosure Statement dated 25 November 2020 (**PDS**) sets out risk factors that could cause its financial position to deteriorate. The offer register provides a breakdown of how the figures in this table are calculated, as well as full financial statements.

Key Ratios

Capital Ratio	Year to 31.8.2020	Year to 31.8.2019	Year to 31.8.2018
Capital ratio	14.3%	12.6%	13.7%
Minimum capital ratio as per the trust deed	8% with a credit rating, 10% without a credit rating	8% with a credit rating, 10% without a credit rating	8% with a credit rating, 10% without a credit rating
Minimum capital ratio that must be set out in the trust deed under the Deposit Takers (Credit Ratings, Capital Ratios, and Related Party Exposures) Regulations 2010	8% with a credit rating, 10% without a credit rating	8% with a credit rating, 10% without a credit rating	8% with a credit rating, 10% without a credit rating
The capital ratio is a measure of the extent to which Christian Savings is able to absorb losses without becoming insolvent. The lower the capital ratio, the fewer financial assets Christian Savings has to absorb unexpected losses arising out of its business activities.			

Related Party Exposures	Year to 31.8.2020	Year to 31.8.2019	Year to 31.8.2018
Aggregate exposure to related parties as calculated under the Deposit Takers (Credit Ratings, Capital Ratios, and Related Party Exposures) Regulations 2010	3.7%	5.1%	5.9%
Maximum limit on aggregate exposures to related parties under trust deed	15%	15%	15%
Maximum limit on aggregate exposures to related parties under trust deed that must be included under the Deposit Takers (Credit Ratings, Capital Ratios, and Related Party Exposures) Regulations 2010	15%	15%	15%
Related party exposures are financial exposures that Christian Savings has to related parties. A related party is an entity that is related to Christian Savings through common control or some other connection that may give the party influence over Christian Savings (or Christian Savings over the related party). These related parties include loans to churches where our directors have a requisite degree of influence.			

Liquidity Ratio¹	Year to 31.8.2020	Year to 31.8.2019	Year to 31.8.2018
Liquidity calculated in accordance with the trust deed	2.88:1	3.18:1	26.9%
Minimum liquidity requirements under the trust deed	1.10:1	1.10:1	15%
Liquidity requirements help to ensure that Christian Savings has sufficient realisable assets on hand to pay its debts as they become due in the ordinary course of business. Failure to comply with liquidity requirements may mean that Christian Savings is unable to repay investors on time and may indicate other financial problems in its business.			

¹ As required under the Master Trust Deed (as amended on 29 July 2019), Christian Savings has adopted a new liquidity ratio of 1.1:1, which is the ratio of Cash Inflow over Cash Outflow for the three month period following the date of calculation all as defined in the amended Master Trust Deed. Liquidity ratios calculated for financial periods from 29 July 2019 onwards will be calculated using the new ratio.

Selected Financial Information²

	Year to 31.8.2020	Year to 31.8.2019	Year to 31.8.2018 ³
Total assets	\$221.5m	\$183.5m	\$155.7m
Total liabilities	\$193.3m	\$164.3m	\$137.9m
Net profit after tax	\$1.3m	\$0.9m	\$1.2m
Net cash flows from operating activities	\$1.7m	\$0.9m	\$1.4m
Cash and cash equivalents	\$14.0m	\$42.4m	\$41.8m
Capital	\$27.2m	\$19.1m	\$17.7m
<p>The financial information provided for all years is derived from financial statements that have been audited by a qualified auditor.</p> <p>The financial information has been determined in accordance with Generally Accepted Accounting Practices (GAAP) except for capital which has been calculated in accordance with the Deposit Takers (Credit Ratings, Capital Ratios, and Related Party Exposures) Regulations 2010.</p>			

Notes: Christian Savings Limited is exempt from income tax due to its charitable status. All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

² The selected financial information in the above table has been calculated in accordance with Generally Accepted Accounting Practices (GAAP). Capital has been calculated in accordance with the Deposit Takers (Credit Ratings, Capital Ratios, and Related Party Exposures) Regulations 2010.

³ In June 2018 Christian Savings redeemed all preference shares on issue for \$2.3 million. This reduced Christian Savings' capital. However, Christian Savings continued to meet its minimum capital ratio requirements.

Key Ratios Calculations

Capital Ratio

Position at 31 August 2020

<u>Capital</u>	(\$000)		
Retained earnings	\$ 2,564		
Ordinary Share Capital	\$ 27,591		
Less: Goodwill and Intangibles	\$ (2,255)		
Less: Share capital in related parties	\$ (702)		
Total Capital (E)	\$ 27,198		
<u>Exposure</u>	Exposures (\$000)	Risk Weighting	Risk weighted Exposures (\$000)
Cash with Banks	\$ 53,047	20%	\$ 10,609
Claim on public sector entities	\$ 523	20%	\$ 105
Residential Mortgage Loans			
LVR 70% and under	\$ 34,055	35%	\$ 11,919
LVR 80% and under	\$ 5,253	50%	\$ 2,627
Commercial Mortgage Loans			
LVR 70% and under	\$ 125,931	100%	\$125,931
Personal loans	\$ 230	100%	\$ 230
Other assets	\$ 1,468	350%	\$ 5,138
Deduction from capital	\$ 2,957	0%	-
Total Assets (A)	\$ 223,464		
Total Risk Weighted Exposures			\$156,559 (B)
Operational & Market Exposures (A+B)/2 x 0.175			\$ 33,252 (C)
Total exposures (B+C)			\$189,811 (D)
Capital Ratio at 31 August 2019			
Total Capital (E)/Total Exposure (D)			14.3%

Related Party Ratio

31 August 2020

Borrower

Wellington Central Baptist Church	\$812,093
Auckland Baptist Tabernacle Trust Board	\$205,758
Total	\$1,017,851

Capital

\$27.2m

%

3.7%

Liquidity Ratio				
As at 31 August 2020				
Cash Inflow		Credit rating	Discount %	Subtotal
Liquid Assets				
Call	\$14,047,260		0%	\$14,047,260
Term Deposits <= 12 months				
ASB	\$5,000,000	AA-	10%	\$4,500,000
ANZ	\$14,000,000	AA-	10%	\$12,600,000
Heartland	\$20,000,000	BBB	20%	\$16,000,000
NZ Govt Local Agency	\$522,594	AA+	10%	\$470,335
Loan Repayments	\$3,754,000			\$3,754,000
Undrawn Facility	\$2,050,000			\$2,050,000
Total Cash Inflow				\$53,421,595
Cash Outflow			Percentage included %	Subtotal
Call	\$14,615,000		20%	\$2,923,000
Term Deposits	\$55,616,000		20%	\$11,123,200
Undrawn Approved Loans	\$17,918,000		25%	\$4,479,500
Total Cash Outflow				\$18,525,700
Liquidity Ratio (Cash Inflow/Cash Outflow)				2.88:1

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