



Christian Savings' financial information
relating to, and forming part of, the Product Disclosure Statement
for an offer of deposits by Christian Savings Limited dated
29 July 2019

Dated 29 July 2019

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 29 July 2019 (**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.

As described in the PDS, with effect from 1 September 2017, Christian Savings acquired all of the assets and obligations of Christian Savings Incorporated as part of a restructure of the Christian Savings group. The restructure transferred all operations (and obligations) of Christian Savings Incorporated to Christian Savings, with governance and management being undertaken by the same people. Accordingly, the historical information (prior to 1 September 2017) set out in the following tables show financial information for Christian Savings Incorporated, on the basis that, following the restructure, Christian Savings is substituted for Christian Savings Incorporated.

Key Ratios

Capital Ratio	Half year to 28.2.2019	Year to 31.08.2018	Half year to 28.2.2018	Year to 31.08.2017	Year to 31.8.2016
Capital ratio	13.1%	13.7%	13.6%	11.2%	11.0%
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	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	8% with a credit rating, 10% without a credit rating	8% with a credit rating, 10% without a credit rating
<p>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.</p> <p>The financial information provided for all periods is derived from financial statements that have been audited by a qualified auditor.</p>					

Related Party Exposures	Half year to 28.2.2019	Year to 31.8.2018	Half year to 28.2.2018	Year to 31.8.2017	Year to 31.8.2016
Aggregate exposure to related parties as calculated under the Deposit Takers (Credit Ratings, Capital Ratios, and Related Party Exposures) Regulations 2010	8.9%	5.9%	6.5%	7.5%	23% ¹
Maximum limit on aggregate exposures to related parties under trust deed	15%	15%	15%	15%	15% of capital with effect from 1 November 2016.
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%	15%	15%
<p>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.</p> <p>The financial information provided for all periods is derived from financial statements that have been audited by a qualified auditor.</p>					

Liquidity Ratio ²	Half year to 28.2.2019	Year to 31.8.2018	Half year to 28.2.2018	Year to 31.8.2017	Year to 31.8.2016
Liquidity calculated in accordance with the trust deed	27.5%	26.9%	23.7%	28.5%	24.7%
Minimum liquidity requirements under the trust deed	15%	15%	15%	15%	15%
<p>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.</p> <p>The financial information provided for all periods is derived from financial statements that have been audited by a qualified auditor.</p>					

¹ Changes in the composition of the board of directors, together with repayment of a related party loan, meant that Christian Savings Incorporated complied with the 15% related party exposures test which applied under the trust deed from 1 November 2016.

² 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 information³

	Half year to 28.2.2019	Year to 31.08.2018	Half year to 28.2.2018	Year to 31.8.2017	Year to 31.8.2016
Total assets	\$166.1m	\$155.7m	\$150.1m	\$145.9m	\$146.9m
Total liabilities	\$147.7m	\$137.9m	\$131.2m	\$131.8m	\$134.5m
Net profit after tax	\$0.4m	\$1.2m	\$0.7m	\$0.7m	\$0.6m
Net cash flows from operating activities	\$0.3m	\$1.4m	\$0.6m	\$1.1m	\$0.1m
Cash and cash equivalents	\$45.6m	\$41.8m	\$35.5m	\$41.6m	\$36.3m
Capital ⁴	\$18.3m	\$17.7m	\$18.9m	\$14.1m	\$12.4m
The financial information provided for all periods is derived from financial statements that have been audited by a qualified auditor.					

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.

³ The selected financial information (other than Capital) 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.

⁴ 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 Ratio Workings as at 28 February 2019

Capital Calculations

Capital	(\$000)
Retained earnings	1,436
Ordinary Share Capital	18,989
Less: Goodwill and Intangibles	<u>(2,102)</u>
Total Capital (E)	<u>18,323</u>

Exposures

	Exposures (\$000)	Risk weighting	Risk Weighted Exposures (\$000)	
Cash with Banks	51,668	20%	10,334	
Rated long-term claims				
Rated BBB+ to BBB-	4,903	100%	4,903	
Residential Mortgage Loans				
LVR 70% and under	18,181	35%	6,363	
LVR 80% and under	2,911	50%	1,456	
Second or subsequent ranking	85	150%	128	
Commercial Mortgage Loans				
LVR 70% and under	83,482	100%	83,482	
LVR between 70% and 100%	-	150%	-	
Property development LVR <60%	3,980	150%	5,970	
Property development LVR >60%		200%		
Personal loans	238	100%	238	
Other loans with PPSR	-	150%	-	
Other loans no PPSR	33	200%	66	
Other assets	539	350%	1,887	
Deduction from capital ⁵	<u>2,102</u>	-0%	-	
Total Assets (A)	<u>168,122</u>			
Total Risk Weighted Exposures			<u>114,825</u>	(B)
Operational & Market Exposures (A+B)/2 x 0.175			24,758	(C)
Total exposures (B+C)			139,583	(D)

Capital Ratio

Total Capital (E) /Total Exposure (D)	13.1%
---------------------------------------	-------

Related Party Calculations

Related borrowers

Total	\$1,621,614
Total capital	
(excluding goodwill and intangibles)	\$18,323,622
Related party exposure	8.9%

Liquidity Calculations

Cash & cash equivalents

Total	\$45,571,539
Total assets	
(excluding goodwill and intangibles)	\$166,020,488
Liquidity Ratio	27.5%

⁵ Goodwill of \$1,998,000 and Intangibles of \$103,513 are excluded from Total Assets and Capital. This table calculates capital in accordance with the Deposit Takers (Credit Ratings, Capital Ratios, and Related Party Exposures) Regulations 2010, not GAAP.

Contact information

Christian Savings Limited

55 Hugo Johnston Drive

Penrose

Auckland 1061

P O Box 12738

Toll free phone 0508 SAVING (0508 728 464)

www.christiansavings.co.nz