



# Statement of Key Ratios and Selected Financial Information

## As at 31 March 2023

References in this statement to the **2010 Regulations** means the Deposit Takers (Credit Ratings, Capital Ratios, and Related Party Exposures) Regulations 2010.

All figures and financial information presented in this section represent consolidated information of WBS and the Guarantors as required by the 2010 Regulations.

Capitalised terms have the meaning ascribed to them in WBS's current Product Disclosure Statement. This document should be read in conjunction with the Product Disclosure Statement which is available at [www.wbs.net.nz/financial-documents/](http://www.wbs.net.nz/financial-documents/) or [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose)

## Section 3: WBS and what it does

This section provides updated details of the information set out in Section 3 of Wairarapa Building Society's (WBS, the Issuer, we, our or us) Product Disclosure Statement.

### Overview

Our principal classes of asset are:

	% of WBS Group assets – as at 31 March		
	2023	2022	2021
Loans to customers	90.4%	81.8%	69.5%
Commercial property investments	3.3%	5.4%	4.2%
Other liquid investments	6.4%	12.8%	26.3%

### Loan Book

Key characteristics of our loan book are summarised below:

Sector concentration	31 March 2023	31 March 2022	31 March 2021
Residential housing	89.1%	82.0%	70.3%
Commercial	7.9%	14.5%	26.9%
Farming	3.0%	3.5%	2.8%

Security type	31 March 2023	31 March 2022	31 March 2021
Secured by mortgage	99.7%	99.1%	98.5%
Secured by other collateral	0.2%	0.5%	1.1%
Unsecured	0.1%	0.4%	0.4%

Geographic concentration	31 March 2023	31 March 2022	31 March 2021
Domiciled in the Wairarapa region	92.1%	84.2%	88.8%
Domiciled outside the Wairarapa region	7.9%	15.8%	11.2%

## Section 3: WBS and what it does (continued)

### Lending policy and loan quality

Although geographically concentrated, WBS has a conservative lending policy. The key elements of our lending policy are described in section 6 (Risks of investing) of the WBS Product Disclosure Statement.

Loan book status	31 March 2023	31 March 2022	31 March 2021
Performing loans	96.9%	96.7%	91.2%
Restructured loans	0.0%	0.0%	0.5%
Restructured loans due to Covid-19	Nil	Nil	Nil
Loans past due:			
• 0 to 30 days	1.9%	2.7%	7.2%
• 31 to 90 days	0.6%	0.3%	0.3%
• 91 days and over	0.1%	0.1%	0.6%
Impaired loans	1.1%	0.2%	0.2%

Our conservative lending policy continues to contribute to a consistently low level of loan impairment as illustrated below:

Loan impairment charges	31 March 2023	31 March 2022	31 March 2021
Annual impairment charge (as a % of loan book)	0.08%	(0.09)%	(0.04)%
Annual impairment charge (\$000's)	118	(94)	(45)

## Section 4: Key features of Redeemable Shares and Deposits

This section provides updated details of the information set out in Section 4 of WBS's Product Disclosure Statement.

### Ranking

The Investments offered in WBS's Product Disclosure Statement are unsecured debt securities.

Although the Trust Deed permits WBS and the Guarantors to use up to 2.50% of their assets as security for liabilities that would rank ahead of the Investments, there are presently no such secured liabilities.

The following diagram illustrates the ranking of Redeemable Shares and Deposits on a liquidation of WBS and is based on the level of our liabilities and equity as at 31 March 2022 including Redeemable Share (principal and interest outstanding) of \$116,898,692 and Deposits (principal and interest outstanding) of \$9,638,944. The level of Redeemable Shares and Deposits is constantly changing depending on the level of investment, reinvestment and withdrawal at any point in time.

	Ranking on liquidation of WBS	Liability types	Indicative amount of existing liabilities and equity as at 31 March 2022
<b>Higher ranking / earlier priority</b>			
	Liabilities that rank in priority to Deposits, Redeemable Shares and capital shares	Creditors preferred by law	\$ 153,956
	Liabilities that rank equally with Deposits	Deposits, trade and general creditors	\$ 7,227,080
	Liabilities that rank behind Deposits but in priority to equity	Redeemable Shares	\$130,758,379
	Equity	Transferred to the WBSCT in accordance with the WBS Rules	\$25,301,371
<b>Lower ranking / later priority</b>			

The creditors preferred by law shown above as ranking ahead of Deposits and Redeemable Shares principally comprise wages due to employees and amounts due to the Inland Revenue Department in respect of PAYE, GST and RWT. Trade and general creditors ranking equally with Deposits principally comprise amounts arising from the day to day operations of the business. WBS expects both type of liabilities to continue to be incurred at broadly similar levels to those represented in the diagram above.

## Section 5: WBS's Financial Information

This section provides updated details of the information set out in Section 5 of WBS's Product Disclosure Statement.

### Key ratios

Wairarapa Building Society (**WBS**) is required by law and its Trust Deed to meet certain financial requirements. The tables below show how WBS is currently meeting those requirements. There are minimum requirements. Meeting them does not mean that WBS is safe. WBS's Product Disclosure Statement includes a section on specific risks relating to WBS's creditworthiness and sets out risk factors that could cause its financial position to deteriorate and this document should be read in conjunction with that Product Disclosure Statement.

The accompanying appendices show how the key ratios have been calculated.

#### a. Capital ratio

Security type	31 March 2023	31 March 2022	31 March 2021
WBS capital ratio as calculated by the 2010 Regulations	15.0%	15.7%	15.8%
Minimum capital ratio required by the Trust Deed	8.0%	8.0%	8.0%
Minimum capital ratio required by regulation 8(2) of the 2010 Regulations	8.0%	8.0%	8.0%

The Capital Ratio is a measure of the extent to which WBS is able to absorb losses without becoming insolvent. The lower the capital ratio, the fewer the level of financial assets that are available to WBS to absorb unexpected losses arising from its business activities.

#### b. Related party exposures

Security type	31 March 2023	31 March 2022	31 March 2021
Amount of WBS's aggregate exposures to related parties as calculated by the 2010 Regulations	Nil	Nil	Nil
Maximum limit on aggregate exposures to related parties permitted by the Trust Deed	15.0%	15.0%	15.0%
Maximum limit on aggregate exposures to related parties permitted by regulation 23(3)(b) of the 2010 Regulations	15.0%	15.0%	15.0%

Related Party Exposures are financial exposures that WBS has to related parties. A related party is an entity that is related to WBS through common control or some other connection that may give the party influence over WBS (or WBS over the related party). These related parties include relatives of directors or senior management.

## Section 5: WBS's Financial Information (continued)

### c. Liquidity requirements

		31 March 2023	31 March 2022	31 March 2021
Liquidity calculated in accordance with the Trust Deed	Liquid assets ratio <sup>1</sup>	23.8%	33.3%	48.6%
	Liquidity mismatch ratio <sup>2</sup>	167.4%	199.2%	309.1%
Minimum liquidity requirements under the Trust Deed	Liquid assets ratio	10.0%	10.0%	10.0%
	Liquidity mismatch ratio	115.0%	115.0%	115.0%

Liquidity requirements help to ensure that WBS 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 WBS is unable to repay investors on time and may indicate financial problems in its business.

### Selected financial information

All figures in NZ\$000's and determined in accordance with Generally Accepted Accounting Practice except as otherwise noted	As at and for the year ended 31 March		
	2023	2022	2021
Total assets	163,441	152,190	158,714
Total liabilities	138,139	127,665	135,526
Net profit after tax	774	1,475	1,959
Net cash flows from operating activities	(11,010)	22,566	10,215
Cash and cash equivalents	9,009	18,803	41,685
Capital as calculated in accordance with the 2010 Regulations	25,558	23,921	22,416

<sup>1</sup> The Liquid Assets Ratio is a measure of the extent to which liquid assets maintained by WBS can support claims on its assets. The higher the ratio, the greater the level of liquid resources immediately available to WBS if it experienced liquidity issues.

<sup>2</sup> The Liquidity Mismatch Ratio is a liquidity stress test which measures the ratio of liquid funds available to cover any short term mismatch in contractual cash flows which have been adjusted to reflect the estimated impacts of a short term loss of investor confidence. The higher the resulting ratio, the greater the ability of WBS to meet its payment obligations in a stressed scenario. This is calculated in accordance with the Trust Deed and the 2010 Regulations.

# Appendix A – as at 31 March 2023

## How the key ratios have been calculated

### A1. Capital ratio

		NZ\$	NZ\$
a	Gross capital		25,301,219
b	Deductions from gross capital		(256,853)
c	Adjusted capital being a minus b		25,044,366
d	<ul style="list-style-type: none"> <li>Risk-weighted credit risk exposure</li> <li>Risk-weighted market &amp; operational risk exposure</li> </ul>	140,233,837 26,650,045	
	Total risk-weighted exposures		166,883,881
	Capital ratio (being c divided by d)		15.0%

### A2. Calculation of risk-weighted credit risk exposure

	Gross asset book values	Average risk-weighting	Risk-weighted asset values
Residential mortgage loans	92,261,401	39%	35,731,352
Other loans with qualifying security over land and buildings	16,132,733	101%	16,256,484
Other loans	455,657	172%	783,579
Property development loans	39,580,308	155%	63,792,638
Claims on NZ registered banks	9,023,061	20%	1,804,612
Commercial property investments and other fixed assets	6,003,570	350%	21,012,496
Other assets	881,370	150%	852,676
a	Total assets		164,338,101
b	Risk-weighted credit risk exposure		140,233,837
	Risk-weighted market and operational risk exposure being a plus b divided by two and multiplied by 17.5%		26,650,045

## B. Related party exposures

		NZ\$
<b>a</b>	Aggregate related party exposures	Nil
<b>b</b>	Adjusted capital (from table A1)	25,044,366
	Related party exposures as a % of capital being <b>b</b> divided by <b>a</b>	0.0%
	Maximum limit of aggregate related party exposures	15.0%

## C1. Liquid assets ratio (Trust Deed clauses 4.1.1.3 to 4.1.1.8)

		NZ\$
<b>a</b>	Total Tangible Assets	163,919,304
<b>b</b>	Total Shareholders Funds	25,301,219
<b>c</b>	Net Assets being <b>a</b> minus <b>b</b>	138,618,085
<b>d</b>	Liquid Assets (as defined in the Trust Deed)	33,008,603
	Liquid Assets as a % of Net Assets being <b>d</b> divided by <b>c</b>	23.8%
	Minimum liquid assets ratio as per Trust Deed	10.00%

## C2. Liquidity mismatch ratio (Trust Deed clause 4.1.1.15)

		NZ\$
<b>a</b>	Aggregate amount of loan principal and interest receivable in the next 3 months	2,614,388
	Aggregate amount of:	
<b>b</b>	<ul style="list-style-type: none"><li>• 20% of Deposits and Redeemable Shares maturing in next 3 months</li><li>• 20% of committed but undrawn loan facilities</li></ul>	19,758,412
<b>c</b>	Liquidity mismatch surplus/(deficit) being <b>a</b> minus <b>b</b>	(17,144,024)
<b>d</b>	115 of liquidity mismatch deficit being 115% of <b>c</b>	(19,715,628)
<b>e</b>	Liquid Assets (as defined in the Trust Deed)	33,008,603
	Liquid Assets as a % of liquidity mismatch deficit being <b>e</b> divided by <b>d</b>	167.4%
	Minimum liquidity mismatch ratio as per Trust Deed	115.0%

## Appendix B – as at 31 March 2022

### How the key ratios have been calculated

#### A1. Capital ratio

	NZ\$	NZ\$
<b>a</b> Gross capital		24,525,552
<b>b</b> Deductions from gross capital		(607,355)
<b>c</b> Adjusted capital being <b>a</b> minus <b>b</b>		23,918,196
	128,103,025	
<b>d</b> <ul style="list-style-type: none"> <li>• Risk-weighted credit risk exposure</li> <li>• Risk-weighted market &amp; operational risk exposure</li> </ul>	24,595,198	
Total risk-weighted exposures		152,698,223
Capital ratio (being <b>c</b> divided by <b>d</b> )		15.7%

#### A2. Calculation of risk-weighted credit risk exposure

	Gross asset book values	Average risk- weighting	Risk-weighted asset values
Residential mortgage loans	81,623,335	39%	32,226,905
Other loans with qualifying security over land and buildings	13,363,697	102%	13,574,880
Other loans	1,139,540	175%	1,990,015
Property development loans	28,953,852	160%	46,263,195
Claims on NZ registered banks	18,957,257	20%	3,791,451
Commercial property investments and other fixed assets	8,441,397	350%	29,544,890
Other assets	550,880	141%	711,689
<b>a</b> Total assets	152,984,957		
<b>b</b> Risk-weighted credit risk exposure			128,103,025
Risk-weighted market and operational risk exposure being <b>a</b> plus <b>b</b> divided by two and multiplied by 17.5%			24,595,198

## B. Related party exposures

		NZ\$
<b>a</b>	Aggregate related party exposures	Nil
<b>b</b>	Adjusted capital (from table A1)	23,921,196
	Related party exposures as a % of capital being <b>b</b> divided by <b>a</b>	0.0%
	Maximum limit of aggregate related party exposures	15.0%

## C1. Liquid assets ratio (Trust Deed clauses 4.1.1.3 to 4.1.1.8)

		NZ\$
<b>a</b>	Total Tangible Assets	153,024,240
<b>b</b>	Total Shareholders Funds	24,525,552
<b>c</b>	Net Assets being <b>a</b> minus <b>b</b>	128,495,688
<b>d</b>	Liquid Assets (as defined in the Trust Deed)	42,802,662
	Liquid Assets as a % of Net Assets being <b>d</b> divided by <b>c</b>	33.3%
	Minimum liquid assets ratio as per Trust Deed	10.00%

## C2. Liquidity mismatch ratio (Trust Deed clause 4.1.1.15)

		NZ\$
<b>a</b>	Aggregate amount of loan principal and interest receivable in the next 3 months	2,030,275
	Aggregate amount of:	
<b>b</b>	<ul style="list-style-type: none"> <li>• 20% of Deposits and Redeemable Shares maturing in next 3 months</li> <li>• 20% of committed but undrawn loan facilities</li> </ul>	20,718,679
<b>c</b>	Liquidity mismatch surplus/(deficit) being <b>a</b> minus <b>b</b>	(18,688,405)
<b>d</b>	115 of liquidity mismatch deficit being 115% of <b>c</b>	(21,491,665)
<b>e</b>	Liquid Assets (as defined in the Trust Deed)	42,802,662
	Liquid Assets as a % of liquidity mismatch deficit being <b>e</b> divided by <b>d</b>	199.2%
	Minimum liquidity mismatch ratio as per Trust Deed	115.0%

## Appendix C – as at 31 March 2021

### How the key ratios have been calculated

#### A1. Capital ratio

		NZ\$	NZ\$
a	Gross capital		23,188,677
b	Deductions from gross capital		(773,047)
c	Adjusted capital being a minus b		22,415,630
		117,317,612	
d	<ul style="list-style-type: none"> <li>Risk-weighted credit risk exposure</li> <li>Risk-weighted market &amp; operational risk exposure</li> </ul>	24,230,438	
	Total risk-weighted exposures		141,548,050
	Capital ratio (being c divided by d)		15.8%

#### A2. Calculation of risk-weighted credit risk exposure

	Gross asset book values	Average risk-weighting	Risk-weighted asset values
Residential mortgage loans	68,893,959	38%	26,269,763
Other loans with qualifying security over land and buildings	19,482,716	102%	19,897,351
Other loans	1,644,663	164%	2,704,607
Property development loans	18,131,358	157%	28,398,456
Claims on NZ registered banks	42,020,117	20%	8,404,023
Commercial property investments and other fixed assets	8,956,685	350%	31,348,396
Other assets	472,183	62%	295,016
a	Total assets		159,601,681
b	Risk-weighted credit risk exposure		117,317,612
	Risk-weighted market and operational risk exposure being a plus b divided by two and multiplied by 17.5%		24,230,438

## B. Related party exposures

		NZ\$
<b>a</b>	Aggregate related party exposures	Nil
<b>b</b>	Adjusted capital (from table A1)	22,415,630
	Related party exposures as a % of capital being <b>b</b> divided by <b>a</b>	0.0%
	Maximum limit of aggregate related party exposures	15.0%

## C1. Liquid assets ratio (Trust Deed clauses 4.1.1.3 to 4.1.1.8)

		NZ\$
<b>a</b>	Total Tangible Assets	158,459,835
<b>b</b>	Total Shareholders Funds	23,188,677
<b>c</b>	Net Assets being <b>a</b> minus <b>b</b>	135,271,158
<b>d</b>	Liquid Assets (as defined in the Trust Deed)	65,687,380
	Liquid Assets as a % of Net Assets being <b>d</b> divided by <b>c</b>	48.6%
	Minimum liquid assets ratio as per Trust Deed	10.00%

## C2. Liquidity mismatch ratio (Trust Deed clause 4.1.1.15)

		NZ\$
<b>a</b>	Aggregate amount of loan principal and interest receivable in the next 3 months	2,369,534
	Aggregate amount of:	
<b>b</b>	<ul style="list-style-type: none"> <li>• 20% of Deposits and Redeemable Shares maturing in next 3 months</li> <li>• 20% of committed but undrawn loan facilities</li> </ul>	20,851,276
<b>c</b>	Liquidity mismatch surplus/(deficit) being <b>a</b> minus <b>b</b>	(18,481,742)
<b>d</b>	115 of liquidity mismatch deficit being 115% of <b>c</b>	(21,254,004)
<b>e</b>	Liquid Assets (as defined in the Trust Deed)	65,687,380
	Liquid Assets as a % of liquidity mismatch deficit being <b>e</b> divided by <b>d</b>	309.1%

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Minimum liquidity mismatch ratio as per Trust Deed
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115.0%
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